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PART ONE

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FOCUS ON WEST GERMANY, 1977

Government of Paradox: Enviable Stability And Crosscurrents of Unrest, Disaffection

A Special Report

Focus on Germany, 1977, will have three parts. Some of the highlights:

PART ONE

The first section of this report focuses on the political and social aspects of West Germany.

Politics

John Dornberg looks at the problems surrounding Helmut Schmidt's chancellorship and examines the curious situation of an outwardly healthy country beset with grave inner strains.

Essays on German Life

Shepard Stone, director of the Aspen Institute, Berlin, looks at life in Germany through the eyes of a long-time resident American.

And Uwe Siemon-Netto, a free-lance German journalist, discusses how West Germans cope with an exceptionally high quality of life, and in a separate article tells of the problems of living in a divided Germany.

The EEC

David Haworth looks at the important role West Germany plays in the European Community and how this country feels about its contribution to the EEC.

Unions and the Gastarbeiter

The Gastarbeiter has become a permanent fixture in West Germany, despite the lowering in their numbers. Douglas S. Bruce takes a look at their situation, as well as the government's views. In another article he discusses the balance between an unemployment figure of over 1 million and the heavy wage demands made by labor unions and some cuts in working hours.

Berlin

Is Berlin a dying city? Theo Mann thinks so and talks about some grave problems.

The Social Structure

With a deficit in the government's social security and pension programs causing a scandal, Cecil T. Brown exposes the problems and some of the means proposed by the government to rectify the situation.

Regional development, the need for more technically-trained people, public transport, and other subjects are discussed.

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PART TWO

The second of this three-part survey is devoted to the economy, finance and energy. Among the stories:

The Economy

George Lanham reports on West Germany's economic situation and the "subdued optimism" which is the prevailing mood. The GNP, unemployment and retraining, inflation, the role of the banks, foreign investment, industry and wages, and the government program for "stable growth" are looked into.

East-West Trade

The debate continues on trade with the Eastern Bloc nations. Some say this trade is healthy and makes a considerable contribution to employment and the economy; others disagree, citing the enormous debts owed the West Germans. John Dornberg examines the question.

Finance

In a country that has more banks than pharmacies, West German banks hold enormous power and responsibility. Increasingly banks are looking for new fields to conquer in foreign markets. Foreign banks, the strength of the Deutsche mark, the stocks and mutuals markets, and the dramatic growth of the Eurobond market are discussed in separate articles.

Energy

Andrew Hargrave studies the issue that is on everyone's mind: the resource problem, financing, and use of oil, gas, coal and electricity. And the continuing debate on nuclear energy, in which the West German government has confidence and which is being held up by public protest. And what will research into future sources of energy bring?

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PART THREE

The third section presents the industrial picture:

Industry

Thomas C. Lucey, along with Graham Wallace, George Lanham, Cecil T Brown and Andrew Hargrave report on the health, or lack of health, in major West German industries, the financing, profits, investments, expansion and outlook for concerns in a major industrial country.

The industries discussed: Agriculture, Automotive, Aviation, Chemicals, Construction, Electronics, Machinery, Shipping, Steel, Textiles, Tourism and Food, Beer and Wine.

By John Dornberg

BONN (IHT)—"It was not what you'd call a breath-taking start," Helmut Schmidt admitted recently in describing the first 100 days of his second term as chancellor of West Germany.

"But this administration," he added hastily and with uncharacteristic defensiveness, "is committed for the duration, to a full four-year term."

While no one in West Germany would question Mr. Schmidt's resolve or determination to meet that commitment, there are few these days willing to bet their last pfennigs on his ability to do so.

In a sense, what has been happening is totally illogical and incongruous.

On the one hand, the Federal Republic projects an image of enviable stability. It has the lowest inflation rate of any industrialized Western nation, the soundest currency, the biggest export and balance of payments surplus, the greatest amount of social peace, and one of the highest standards of living—higher than any generation of Germans has ever known.

The outlook for the coming year is one of fairly healthy economic growth, and it has shown signs of rebounding from the worldwide recession more vigorously than any other Western democracy.

Comfortably Cushioned

There are no great pockets of poverty. Thanks to a whole safety network of social legislation, the average West German is comfortably cushioned against such vicissitudes of life as serious and prolonged illness, economic reversal and potential destitution in old age.

Crime, though rising, is but a fraction of the rate and violence in other industrialized countries. Although political terrorism exists, it poses merely a fraction of the threat it does in some other West European countries.

Even unemployment, though becoming a more or less permanent feature due to structural demographic changes, has been kept within a comfortably manageable five per cent. Moreover, despite the figure of one million jobless, almost two million foreign workers are still gainfully employed and integrated into the economy.

On the other hand, since last fall's general election there has been a groundswell of unrest and disaffection across the broad spectrum of West German political life.

Since it squeaked back into office with a scant 1.9 per cent of the popular vote and five Bundestag seats to spare last October, Mr. Schmidt's coalition government of Social Democrats (SPD) and Free Democrats (FDP) has been in a state of semi-permanent crisis.

It is not a dramatic crisis involving votes of confidence, spectacular resignations or cabinet-toppling scandals. Instead, as the influential weekly Die Zeit has described it, "a gray cloud of suspicion, discontent and perplexity" hovers over West Germany's political scene.

It is an intangible crisis without clear political contours and therefore almost unsolvable.

The Chancellor, standing at its epicenter, is a sobered and chastened man who has lost some of his charisma and no longer appears quite the infallible man of action or the "Superschmidt" he once seemed to be.

Perhaps, at 58, with more than two decades of government service and political infighting behind him, he is tiring. Perhaps, too, he has taken a more relaxed and more realistic view of the old maxim "politics is the art of the possible."

Either way, as one close aide confided recently, "Schmidt no longer labors under a compulsion to succeed and prove himself and has stopped trying to fight the unfightable."

His own rank and file are becoming increasingly impatient with what they regard as his autocratic style of leadership based on a minimum of consultation. Moreover, the SPD's left wing has become vocally critical of what they consider his rightist leanings and the mediocrity of his post-election ministerial team.

But he is also having troubles with the FDP over a variety of issues ranging from pension policies, taxes and budgetary plans to social reform and industrial democracy.

As a result, for the past few months Bonn has been rife with rumors about possible resignation, aimed at putting the SPD in opposition where, so some party strategists contend, "it can regenerate itself." And the overriding question in the Federal Republic seems to be not whether but when the present SPD-FDP coalition will split up.

Matter of Time

As one political observer put it: "One has the impression of a marriage in which the spouses simply have nothing left to say to each other and it is only a matter of time when one or the other seeks a lover or a divorce."

If despite persistent speculation, it does hold together, then largely for the following reason.

For one, as Mr. Schmidt himself, recently warned the SPD parliamentary faction, there are no alternatives. "If you want to keep on attacking this administration," he reportedly told the party caucus, "then you ought to go out and look for a different one. But you won't find it."

His vice-chancellor and foreign minister, Hans-Dietrich Genscher, leader of the little FDP, faces an even more complex problem. It was largely by committing the FDP to another four years in coalition with the SPD that he managed to come back with 7.9 per cent of the total vote and 39 seats in parliament last fall. Although Mr. Genscher and a number of his supporters are more ideologically inclined toward the opposition Christian Democrats (CDU CSU) these days a move in their direction would not only contravene his mandate but split his party. To bolt without cause—and thus far there is none—would be tantamount to political suicide.

Finally the CDU CSU opposition, six seats short of an absolute majority in the Bundestag,

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Keystone

Chancellor Helmut Schmidt

EEC—Are German Taxpayers Being Taken for a Ride?

By David Haworth

BONN (IHT)—The Federal Republic's formal position on the European Community was expressed by Foreign Minister Hans-Dietrich Genscher just before the recent and low-key celebrations of the EEC's 20th anniversary in Rome. "For me, our European policy is the first priority in our foreign policy," he said in as succinct an affirmation of faith as any of the community institutions could wish, and continued by outlining four goals for the next few years:

- "The community, as soon as the acute economic crisis has been overcome, must dare a new start on a common economic policy, with the ultimate goal of an economic and a monetary union. This is the sense of a discussion that took place at the beginning of February by the French and German governments.
- "The direct voting for the European Parliament must be followed by a reform of the community institutions, making their work more effective and advancing the process of democratization.
- "On the way to a joint community foreign economic policy and a concerted foreign policy of its member countries, further steps forward are necessary. One of them is a constantly closer interconnection between community policy and European political cooperation (EPC).
- "The already-begun second round of negotiations about accession by Greece, next by Portugal and foreseeably also with Spain, is to lead to positive results for the community as well as for the candidates for accession."

In practice, however, the Federal Republic's dealings with and attitudes towards the EEC are much more equivocal than Mr. Genscher finds comfortable. This is particularly the case whenever Chancellor Helmut Schmidt spares a moment or two to cast a characteristically bleak look over EEC affairs. Who is the realist—Mr. Genscher, sorrowful when the EEC fails to live up to the standards of his personal commitment to the community, or Mr. Schmidt, a man who sees many irrelevancies in the Common Market's activities and frequently behaves as though he were an agnostic under compulsory sentence to attend church every week?

These divergent attitudes—or emphasis rather than principle—also find crude reflection in West German public opinion. There is the persistent belief that German taxpayers are being taken for a ride by the rest of the community, that they are in a sense the EEC's breadwinners who have to provide for indigent or inefficient members from other countries. It is, of course, a crude distortion and probably completely false. To ignore, for example, the benefits which the uneconomic smallholdings in Bavaria win from the common agricultural policy while pointing accusatory fingers at peasant farming in France or Italy is politically astigmatic—and unattractive. It is no coincidence that the Germans have the largest stocks of the EEC's skimmed milk powder and butter mountains, accounting for half of the community's total of these unwanted surpluses. These excesses have to be paid for, but the German farmer is meanwhile getting more than his fair share of the common agricultural policy payments whose mechanism makes them possible. As if in acknowledgment of this, the federal agricultural minster, a tough but popular veteran of the EEC's Council of Ministers, Mr. Josef Ertl, recently commented: "It would be misleading to judge the successes and the difficulties of the community farm policy only according to the costs and only according to the goals which are set by the EEC treaty."

The growing disparities between the Federal Republic's economy and those of other EEC member nations such as Britain, Ireland and Italy inevitably reinforce the Germans' feeling that in many respects they are being exploited by the community. The performance of the German economy has given the country political clout in the EEC—world-wide, come to that—but how is this to be used in the community? There is no steady or authoritative voice in Bonn to answer this. Indeed, the sounds from that capital have become very muted during the past few months. Last year—before the general election—Chancellor Schmidt would sometimes have fun at the community's expense in briefings with both the local and foreign press: The brunt of his somewhat un-focused accusations was carried in words like "inefficient," "over-staffed" and "time-wasting." Also a feature of his same party piece was to wave around the latest league table of inflation rates in the nine member nations while making some challenging remarks about good economic housekeeping.

Those days have now passed—not so much because the Federal Republic's economy doesn't remain on a steady, almost inexorable, course but as a result of the series of domestic political misfortunes which have been a sharp reminder that he may be almost as insecure as many of his EEC premier colleagues. Compared with twelve months ago, the Chancellor is a chastened man.

However sour Mr. Schmidt might feel about the effect of the recession on the rest of the community members, he has been obliged to recognize that neither monetary nor political union are in prospect for the foreseeable future. He has also had to acknowledge that there is nothing he can do to accelerate these ambitions. Self-evidently, monetary union is impossible in conditions of wildly fluctuating exchange rates. Political union

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2 Germanys—No Unity, But Not Quite Divided

By Uwe Siemon-Netto

HAMBURG (IHT)—It is one of the saddest aspects of life in a divided Germany that most people in the Western half of the country no longer believe in reunification yet still desire it.

According to pollster Elisabeth Noelle-Neumann, 65 per cent of them think that East and West Germany will never again become one nation. Sixty-three per cent don't even expect to live to see the day when they will be able to travel as freely to East Germany as they can to those other two German-speaking countries, Austria and Switzerland.

But what some might interpret as a realistic appraisal of the situation in Central Europe and others as historical short-sightedness does not correspond to what the people really want.

The preamble to the Federal Republic's 1949 Constitution urges the "whole German people to complete the unity and freedom of Germany by means of free self-determination." This article, 72 per cent of those polled by Mrs. Noelle-Neumann said, should be retained. Only 12 per cent felt it could be deleted. The rest were undecided.

Furthermore, although they are not optimistic that their wish will be fulfilled, 61 per cent of all West Germans very much desire that their country one day be reunified. It must be added, though, that more than half of the 16-to-29-year-olds polled by Prof. Noelle-Neumann in 1976 do not consider reunification an important question.

However, other polls taken by West German and West Berlin radio stations indicate a renewed interest among the very young in the subject.

Among the 14-to-17-year-olds, one report said, there is a growing minority that would be prepared to take to the streets and demonstrate for the unity of a nation that was divided as a result of a war their grandparents' and even great-grandparents' generation had started.

These girls and boys tend to be considerably more conservative and nationalistic than their generally more leftist elder brothers and sisters. Such symbols as Germany's black, red and gold flag, the national anthem and the word "fatherland," which were much frowned upon by the immediate postwar generation, are beginning to appeal to them.

But the moderate neo-nationalism among some of the young West Germans is only one explanation for a possibly developing new sense of kinship with the fellow countrymen beyond the minefields.

Another may be quite simply that former Chancellor Willy Brandt's *Ostpolitik* seems to be paying off to an extent that neither his conservative opposition nor, possibly, the Communist rulers in East Berlin had anticipated.

As a result of the East-West German accords, which were one of *Ostpolitik's* most important achievements, personal contacts between the citizens of both states have reached unprecedented figures.

Self-Assured

Last year alone, approximately eight million West Germans and West Berliners traveled to the East, most of them only for a few hours, others for extended vacations.

Many went in their glittering Mercedeses and Opels and BMWs. All of them looked, compared with their cousins in

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A Paradox: Enviable Stability But Crosscurrents of Unrest

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is in itself in a state of impotent disarray, weakened by internecine strife and personal rivalries, and simply offers no alternatives.

Majority

But even assuming the coalition does stick it out, there is still the question of how effectively it can govern in the months and years ahead.

Though it has the numerical superiority to push legislation through the Bundestag, many —albeit not all—crucial bills also require approval by the upper house of parliament, the Bundesrat, where until a few weeks ago the CDU-CSU enjoyed a solid 26-to-15 majority.

That majority, based on the partisan composition of West Germany's state governments, has now been pared thanks to the formation of CDU-FDP coalitions in two states—Lower Saxony and the Saarland—where the CDU had been holding onto power with minority governments. In exchange for stabilizing those CDU governments by going into coalition with them, the FDP has obtained their tenuous promises not to block legislation passed by the SPD-FDP majority in the Bundestag.

While the next few months will determine the practical value of that political horse-trading, the agreements have made the FDP even more the tail that wags the political dog. With four seats on Mr. Schmidt's 15-member Cabinet and its crucial role in Lower Saxony and the Saarland, the FDP enjoys power and influence far beyond its modest share of the popular vote.

In one sense, Mr. Schmidt's troubles began three years ago when he succeeded Willy Brandt who resigned as chancellor over the disclosure of an East German spy in his office.

In taking over, Mr. Schmidt found himself head of a government whose popularity was precariously low.

A Near Miracle

A pragmatist, instead of a political visionary given to long-range and inspiring concepts like his predecessor, his major achievement was to steer West Germany through the reefs of the energy crisis and the worst shoals of recession and to restore some measure of confidence in the coalition government.

Although the coalition lost 19 of its Bundestag seats to the CDU CSU last October, that it managed to retain enough of a majority to again form a government was actually a near miracle for which primary credit must go to Mr. Schmidt.

In performing it, however, he did not win the hearts of his countrymen, much less the hearts of his fellow Social Democrats which beat more ideologically—and considerably to the left—than his own.

Unlike Mr. Brandt, a mediator between the SPD's left and right wings and a godhead figure who inspired euphoric elan and a mass following, Mr. Schmidt from the outset has identified with only one wing—the right.

He has never inspired love or a sense of great purpose—merely respect for being a "doer," grudging appreciation for keeping the party in power, and a little fear for the manner in which he elbowed his way to the top and still uses his elbows, abetted by a schoolmasterly manner and impatience with fools, to implement his policies.

His problem is that although he is Chancellor, the SPD, still led by Mr. Brandt as its national chairman, is not really "the Chancellor's party." Out of sheer economic and political necessity, and by personal inclination, he has jettisoned many of the social reform projects and promises dearest to it.

'Pension Debacle'

His first post-election crisis last winter erupted over such a promise: to give West Germany's 11.3 million pensioners a 10-per-cent increase this July, despite a growing deficit—possibly 83 million marks in 1980—in the national pension fund.

The promise had won votes but was predicated on an overly optimistic assessment of economic performance. After taking another, harder look at the figures in early December, Mr. Schmidt, supported by Hans Friderichs, the FDP's big-business-oriented minister of economics, decided to postpone the increase by half a year.

When news of his intentions leaked out, SPD backbenchers from the labor and leftwing constituencies rebelled. Admitting that "no government is infallible," Mr. Schmidt beat a hasty retreat albeit not hasty enough to avoid the embarrassment of being re-elected chancellor with only one vote to spare when the new Bundestag convened shortly after what has gone down in Bonn annals as the "pension debacle."

Having slipped once, Mr. Schmidt has found it hard to regain his footing. As the conservative Frankfurter Allgemeine Zeitung commented recently: "Schmidt, who once prided himself on his ability to get things done, seems to be riding a tide of resignation and making do with rags and patches . . . It is inconceivable how the coalition could have run off the rails so soon after leaving the station."

To compound matters, the first months of his new term have been dogged by a series of controversies.

Controversies

Whether those controversies are the cause for the discord in his new administration or, as one SPD deputy phrased it recently, "the discord gives rise to the controversies," is probably immaterial. What counts is the inordinate succession of mini-crises.

The pensions conundrum is still not entirely resolved despite various displays of fancy fiscal footwork and inter-agency sleight of hand.

There have been the cases of top Bundeswehr generals talking out of turn and challenging civilian primacy over the military, as well as Defense Minister Georg Leber's inept way of dealing with the problem.

Plans to get a grip on the nation's spiraling national health costs sent several thousand exorbitantly well paid doctors out on wildcat strikes.

The rising militancy of anti-nuclear groups has led to violent and bloody miniature civil wars with the police on the sites of several projected atomic plants. Meanwhile, a series of court decisions pointing to insufficient safety and environmental safeguards are likely to postpone, perhaps indefinitely, construction on all nuclear power stations and thereby put a crimp in Mr. Schmidt's carefully orchestrated long-range energy program.

But even assuming the coalition does stick it out, there is still the question of how effectively it can govern in the months and years ahead.

The most militantly leftist group has gained power in the already left-wing *Juso*, or "Young Socialists" association, as the SPD's youth organization is called.

Foreign policy is clearly in a quandary.

Foreign Relations

On the one hand, *Ostpolitik*, once a principal pillar of the coalition's program, is in a state of near suspension with Bonn-Moscow relations virtually in the deep freeze, an upsurge of polemics from Warsaw, and ties between West and East Germany in a condition of semi-permanent crisis over the status of Berlin, access, travel, and emigration.

On the other hand, Mr. Schmidt patently got off on the wrong foot with the Carter administration, and despite pious denials, there is no harmony yet between Bonn and Washington over such touchy issues as the nuclear reactor sale to Brazil, reflationary measures to stimulate Western economies, or the competition between West Germany's Leopard II and the U.S. XM-1 battle tanks.

The disclosures about illegal bugging shook the coalition severely in March, causing serious disaffection among those SPD and FDP supporters who maintain that the government is violating the very constitutionality it proclaims to protect by resorting to extra-legal and illegal measures to deal with what they regard as an exaggerated threat of terrorism and subversion.

The final blow, no doubt, was the disastrous defeat handed the SPD last month in municipal elections in the state of Hesse, one of its traditional political strongholds. With CDU gains of up to 12 per cent, SPD mayors and administrations were literally routed from city halls in Frankfurt, Wiesbaden, Kassel, Darmstadt and Offenbach—towns where the Social Democrats had been in power uninterruptedly for more than 30 years.

While the voting in Hesse has no immediate bearing on Bonn politics, and is the only election in 1977, it is regarded as an ominous sign of impending disaster in the years ahead.

Dissatisfaction

"The news has been so bad for so long," says one disillusioned, veteran Social Democrat, "that I've just stopped listening."

Mr. Schmidt is being blamed for much of it.

Dissatisfaction, not only with his style and method of leadership but with his programs, or lack of them, is rampant within his own party. The complaint is that he does not allow the party, or its parliamentary faction, a voice in important matters, that he rules and governs without it, and that his governmental policy is inconsistent with party policy.

He faces mounting opposition from a number of the party's factions and vociferous interest groups, most notably from the trade unions, traditionally one of the mainstays of SPD support.

"The honeymoon is over," says Heinz Oskar Vetter, the head of the Deutsche Gerwerkschaftsbund (DGB), the German Federation of Labor Unions. "Our ability to compromise is over."

What sours the unions in particular is that the Schmidt government has not done enough to restimulate the economy, provide more jobs, combat unemployment, permit higher wages, or push for better social welfare programs. They maintain that Mr. Schmidt, partly out of political necessity, partly by persuasion, is too eager to compromise with the FDP and its more conservative, management-oriented leadership.

The general complaint from all quarters is that Mr. Schmidt is skirting the real issues troubling the nation, among which are listed structural unemployment, environmental impact, energy problems, lack of educational opportunities, the need for genuine societal reform and grass-roots disaffection over aloofness of professional politicians and the bureaucracy.

Brittle Teeth

"To be sure," said the weekly Die Zeit recently, "the coalition is still holding together, but that is virtually all it is doing these days. Should it insist on limiting its activities to that, it will not hold together long."

On the other hand, the FDP knows it has no place to go and Mr. Genscher is among the first to admit it. The SPD knows it has no other politician in the wings who could begin to replace Mr. Schmidt. The CDU/CSU, unless it plays for possible defectors from the coalition ranks as it did in 1973, lacks the muscle for a power bid. And a "grand coalition", between Social and Christian Democrats, despite persistent rumors here, seems out of the question.

Thus, perhaps Mr. Schmidt is right in waxing optimistic.

"Some people," he predicted recently, "will be cracking their teeth in attempts to chew me up."

One reason may be not Mr. Schmidt's toughness but that the opposition CDU/CSU teeth are so brittle.

For a party that came within a hair of victory last October and scored the second biggest electoral triumph in its entire history, it is keeping a surprisingly low and disunited profile.

Part of its trouble, and certain to have an impact for some time to come, was Franz-Josef Strauss's abortive revolution and attempt to make his Bavarian CSU a fourth, nationwide party last fall.

Bavarian Power Base

Although it had been founded as the exclusively Bavarian wing of Konrad Adenauer's CDU, which had its base and party organizations in all the other West German states, Mr. Strauss, who became its secretary-general in 1948, was soon busily transforming it into a semi-independent party without whose support the CDU had no chances.

He also made it his personal political machine by playing off its various factions against each other and using his role as secretary-general, and since 1951 as its chairman, to entrench men totally beholden to him in its key organizational posts.

This Bavarian power base—where Mr. Strauss can usually win local and national elections with 60-per-cent majorities, and the party's key role in the Bundestag, where it has 11 per cent of the seats—had always been the font of Mr. Strauss's unique strength. It put him in the position of CDU/CSU kingmaker.

But being a politician of consummate ambition, he also aspired to be king. In fact, until May, 1976, he was energetically touting himself, instead of Helmut Kohl, the CDU's national chairman, as the joint CDU/CSU candidate for chancellor.

Had he been nominated, he implied after the October election, or at least had the CDU conducted as strident and rightist a campaign as his in Bavaria, the CDU/CSU would have won. Northern CDU leaders contended it was the awesome specter of Mr. Strauss which actually lost them votes.

Either way, soon after the election Mr. Strauss began making threatening noises about breaking up the 27-year marriage between CDU and CSU and turning his party into a nationwide conservative one.

Total Outrage

It was a threat he had often made, but when, in November, he carried it out, he took everyone by surprise.

Retrospectively, he miscalculated seriously and overplayed his hand.

He did not count on the total outrage of Helmut Kohl, who would have been deprived of his role as opposition leader, and the anger of most of the CDU leadership which immediately expressed its determination to retaliate by establishing its own party organization on Mr. Strauss's hitherto sacrosanct Bavarian turf.

Moreover, he had apparently overestimated his own strength in Bavaria where younger and less malleable poli
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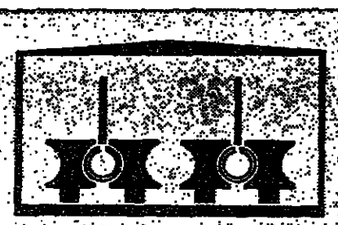
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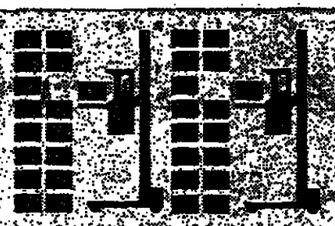
Metal Making Plant
Machinery and systems for the iron and steel industry from ore beneficiation to semi-finished product. Complete plant.



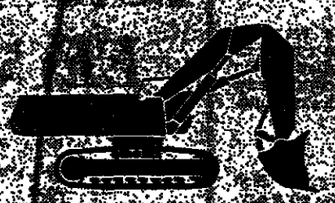
Tube and Pipe Making Facilities
Plant and machinery for the production of seamless and welded tubes.
Hydraulic presses.



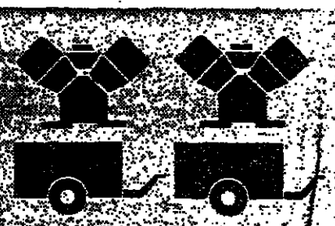
Cranes and Lifting Gear
Overhead cranes, suspension cranes, steel mill cranes, KBK (modular crane construction) and suspension track systems.



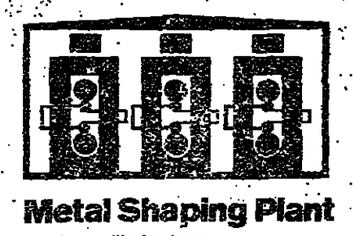
Warehousing
Handling systems, high-bay warehouses, storage and distribution systems.
Complete planning and turnkey construction.



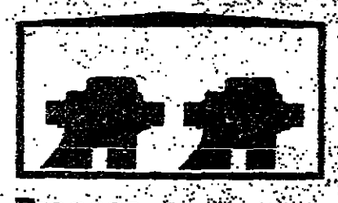
Construction Equipment
Hydraulic excavators up to 100t, mobile cranes up to 300t, road finishers and rollers.



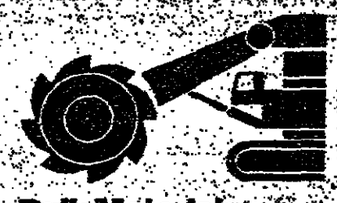
Compressed Air Systems
Compressors, pneumatic tools and equipment for the building trade and industry in general.
Complete air systems.



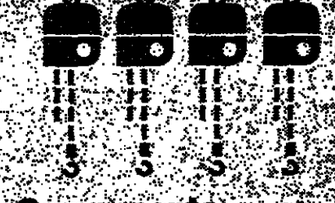
Metal Shaping Plant
Rolling mills for beams, sections and wire-rod; strip and sheet mills.



Process Compressors
Centrifugal compressors or positive displacement machines for air, gases and gas mixtures.



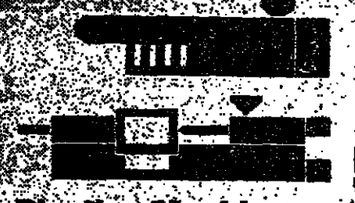
Bulk Materials Handling
Bucket-wheel excavators and stacker-reclaimers for handling or rehandling ore, coal, oil sand and minerals.
Belt conveyor systems.



Components
Drive engineering and control systems, electric lifting gear, standard crane components and load lifting attachments.



Mining and Tunnelling
Mining and tunnelling machines for hard and soft rock.
Air motors.



Plastics Machinery
Complete plant and machines for injection moulding and extrusion.

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The Two Germanys—No Unity, But Not Quite Divided

(Continued from Page 1 S.)

the East, expensively dressed. All of them seemed, in the eyes of the East Germans, so self-assured, so cosmopolitan, so at home in the great, wide world that is closed to the average Leipziger, Dresdener or East Berliner.

The influence of the Western tourists on the people in the East is plainly worrying the Communist authorities. The enormity of their impact becomes even more evident if one considers the figure of eight million in relation to East Germany's population of just under 17 million.

Translated to the American scale, this would correspond to more than 100 million Russians invading the United States in their Volgas, Moskvitches and Zhigulis in just one year.

The trips through the Iron Curtain, which still involve a lot of red tape but were unthinkable at their present scale before *Ostpolitik*, have brought about some interesting discoveries, especially for the young.

To start with, they realized that their contemporaries in the East are not really that different although they had grown up in a totally different society and political system.

But their tastes, interests and fads are very similar to those of the young Westerners. They dress more or less the same way, they have the same hair-styles, they like to play and listen to the same music.

Red-Light Radiation'

The majority of them, although constantly exposed to a propaganda barrage and particularly to so-called red-light radiation," as they themselves call the compulsory courses in Marxism-Leninism at schools and universities, do not really seem to be devout Communists.

They quite unabashedly explain to visitors from the West their opportunistic habit of "traveling on two tracks." This is an East German euphemism for paying lip service to the official ideology in order to succeed at study and work but being privately quite loyal to the state.

East German teachers and youth leaders report that the young people in the Federal Republic and in West Berlin tend to become very fond of their contemporaries in the East. "They particularly like about them the simple life they are leading," a West Berlin professor said.

"They also find it very pleasant how much more gentle and unaggressive the young East Germans are. You won't hear many four-letter words from them. They would be alien to their vocabulary," he added. As a result of this affinity, informal "friendship groups" of young people from both sides of the Wall have sprung up, especially in Berlin, where a Westerner can more easily take a day's trip to the Eastern sector. No young East German would normally be allowed to go West.

Fledgling Movement

It is still a fledgling movement. But there are signs that it is quickly growing. One of the most successful youth programs of West Berlin radio station SFB was a live broadcast recently advising boys and girls from the West where to meet boys and girls in the East.

Incredibly, even young East Berliners phoned in naming pubs and clubs and, in effect, telling West Berliners, "Please come, we'd like to have you."

There are two things that make get-togethers between East and West Germans less problematic than between East and West Europeans of other nationalities.

One is, of course, that there is no language barrier. Thirty-two years of division, which for long periods of time meant being almost completely cut off from one another, have not led to the development of two significantly different German tongues.

Bonn government sources estimate that the differences caused mainly by party jargon and other job descriptions in a socialist economy so far have amounted to only three per cent of the German vocabulary.

Anglicisms have considerably changed the German language since World War II without causing a chauvinistic uproar à la France. But English and American terms are being used in the East as well, where they have in some cases taken a firmer hold even than in the West.

A waiter in a people's-own restaurant would happily say "juice" whereas his counterpart in a capitalistic enterprise in the Federal Republic would stick to the good old German "Saft."

Television

The second thing that facilitates the dialogue between private citizens on both sides of the walls and minefields is that the East Germans, contrary to most other East Europeans, are very well informed about events and developments in the West and elsewhere in the world.

West German TV and radio make it possible. They are, according to intelligence estimates, the primary source of information to possibly 90 per cent of the East German public.

Most other Eastern Europeans, with the possible exception of those Czechoslovaks and Hungarians who speak German, are far more dependent on their own countries' government-controlled media.

West German television can be received in roughly 80 per cent of East Germany's territory. West German radio reaches even the farthest corner of the Communist state. Only the southeastern part of the republic, including the cities of Dresden, Bautzen and Goerlitz, is for geographical and topographical reasons not within reach of the powerful West German TV transmitters.

It is not surprising that in that area you find more people with party badges on their lapels than anywhere else in the Communist state. It also sheds a curious sidelight on the peculiarities of this divided country that managers in that "blacked-out" corner of East Germany bitterly complain about labor shortages because thousands of workers regularly request transfers to areas where Western TV can be received.

Beyond the Reach

There are even some parts of the German Democratic Republic, particularly in the Harz mountains, that are beyond the reach of the G.D.R.'s own television.

This has led to the ironic situation that, in some barracks of the East German border guards whose job it is to keep their own countrymen in, the off-duty troopers could watch the class-enemy's telecasts only.

Not that the East Germans understand all the nuances of the news from the West. Most of them have never experienced life in a free society. Most have never been able to freely choose between opposing political parties.

Most are actually quite offended when they hear how politicians in West German parliamentary debates, which are often broadcast live on radio and TV, throw invectives at each other. Most cannot understand why TV and radio reporters keep uncovering the shortcomings of their own Western society, why they would "dirty their own nest."

They find it hard to realize that a Western democracy just would not function properly without all this.

Yet, especially Bundestag debates are among the most popular programs with East German TV viewers and radio listeners.

Some of them, especially the younger ones, actually keep score at the performances of their favorite debaters, as this reporter found out during a recent trip to the other Germany.

There are fans of Willy Brandt's, who of Bonn politicians still seems to be the most popular among East Germans. There are fans of Franz Josef Strauss, the bull-necked Bavarian conservative leader. There are fans, too, of Herbert Wehner, the ill-tempered, sharp-tongued leader of the Social Democrats in the Bundestag.

Obviously, the Communist rulers are not very happy that there should exist in their country a second communications system which they cannot control nor eliminate.

What complicates the situation for them is that the accords between the two German states have led to the assignment of newspaper, radio and TV correspondents from the West to East Berlin.

Now, the East Germans receive via Western television first-hand information about their own country, and some of the things they learn they would otherwise have never found out.

Predictably, the regime has become increasingly nervous about this "open communications flank in East Germany's side," as one Bonn official phrased it.

Recently, they expelled Lothar Loewe, one of the network correspondents whose extraordinary journalistic enterprise had for a long time been a major irritant to the Communist leaders. What prompted his expulsion was an on-camera remark that the East German border guards were shooting down people like rabbits.

'Good Marks'

Yet, the Communists derive some benefits of their own from the Western airwaves hitting their republic. If it were not for ARD and ZDF, the Federal Republic's two networks, East Germany would find it much more difficult to tap one of its major sources of the hard currency the government so badly needs.

A particularly lucrative way of collecting Deutsche marks, U.S. dollars, pounds and francs is a chain of state-owned stores called "Intershops."

They are places for tourists to do their shopping. But more importantly, these stores, some of which are located even in minor county towns, have been set up for East Germans to spend the "good marks," as they call the Western currency they receive from friends and relatives in the Federal Republic and in West Berlin.

The things they can buy there range from high-quality East German products otherwise unobtainable in the country to Western cigarettes and coffee, from bubble gum and Bordeaux wines, from deodorants and detergents to tape recorders and even water taps which they won't find in regular shops.

Soon the "Intershops" will even stock Italian cars.

And how do the central buyers of the Intershop chain know what their customers want? They just watch, as everybody else in the country does, the commercials on West German TV.

An estimated 30 per cent of all West German and West Berlin families have relatives in the (East) German Democratic Republic. Before *Ostpolitik*, contacts were very erratic. Take telephone communications, for example:

Before 1970 only 34 lines existed between the two German states and none between the two parts of Berlin; they had all been cut by the Eastern authorities.

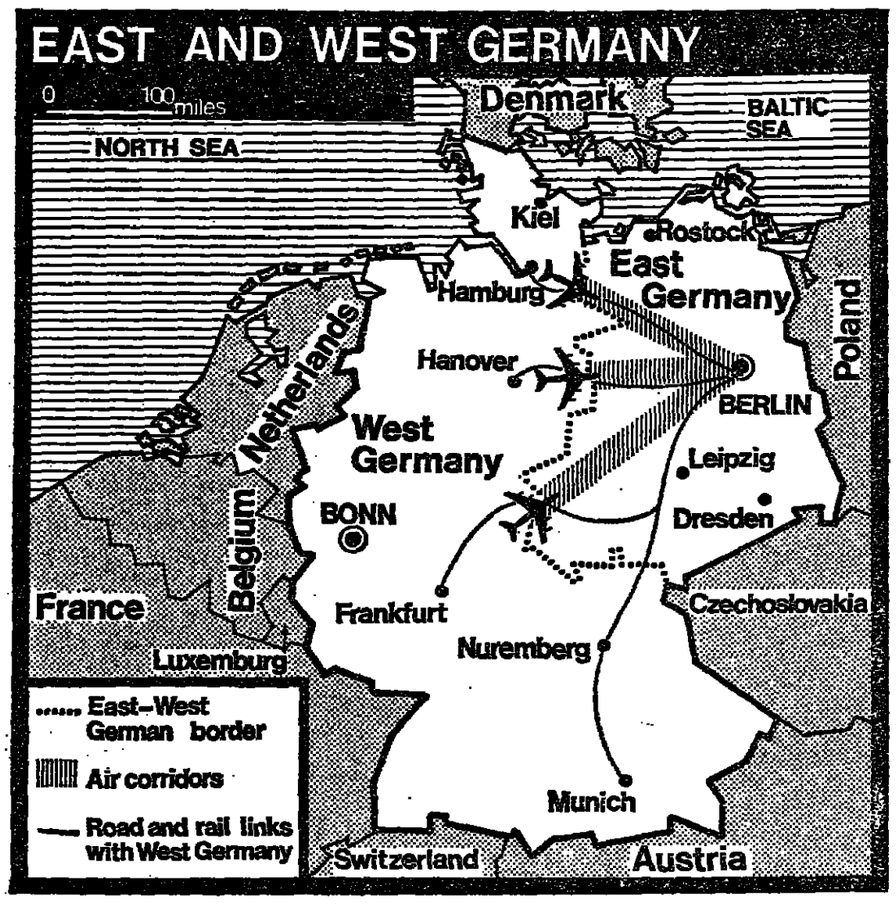
A person would have to wait a minimum of 15 hours for a call from, say, Frankfurt to Leipzig. Sometimes he would not get through at all.

Calls from West to East Berlin had to be routed via Frankfurt in West Germany and Leipzig in East Germany.

In 1976, however, there were again 719 telephone lines between the two states. Calls to East Berlin can be dialed automatically from the Western sectors as well as from 90 per cent of the West German territory.

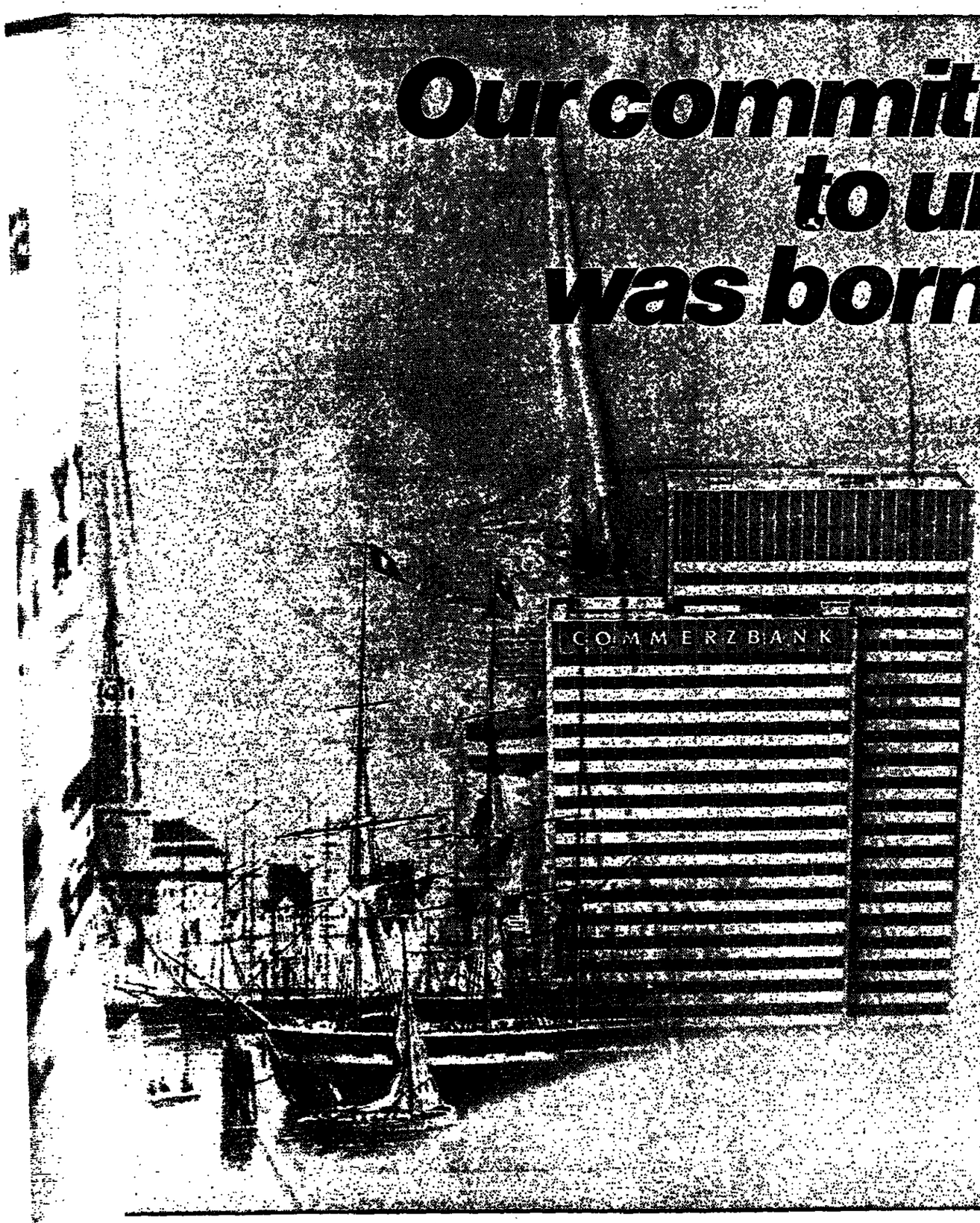
In 1969 only one million calls were placed in both directions. In 1975, 10 million calls went from West Germany and West Berlin to the East and five million went in the opposite direction.

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An Essay: "Why Does a Foreigner Choose to Live in Germany?"

By Shepard Stone

BERLIN (IHT).—So many West Germans are wandering around Paris, Rome, London, buying silks in Bangkok and Hong Kong, picking up property or ranches in Florida, Texas and California, jet-setting at St. Moritz and Antibes that you wonder if any are left at home. There are, at least long enough to earn Deutsche marks for their next holiday abroad—or in Bavaria, the Black Forest or Sylt.

As far back as Goethe, Germans learned that the sun, detesting the climate of Northern Europe, had gone off to the Mediterranean and south of the Alps. Why, if the Germans are smart enough to go south, does a foreigner choose to live in Germany, particularly in Berlin?

Not easy to answer. One doesn't live here because (a) the trains run on time (they do) and the airport is only ten minutes away (it is), (b) the streets and countryside are clean (often they are not), (c) there are few strikes and things work (quite right), (d) Germans are disciplined (not always—as a matter of fact, Helmut Schmidt could do with fewer citizen initiatives), (e) the people are lovable (many are not).

There is nothing light-hearted about the country except at Fasching when the Rhineland goes pleasantly mad or in Munich where they do not take Franz Josef Strauss too seriously. There is something terribly serious about older women's hats or the gowns they wear at the opera—even Brunhilde's up front on the stage seems more à la mode. If you walk in the parks or woods, people's faces are stern, though they open up when you say "Guten Tag," and down below in Bavaria, "Grüss Gott" gets a cheerful response. As for young students, many are serious and promising, but some sons and daughters of the affluent, when they are not skiing in the Alps or swimming at St. Tropez, talk in Marxian jargon that Marx himself would not understand. They get angry if you have mild reservations about some of the old gentleman's theories. They are ideological, see everything in black and white. For the good of us all, they had better get over something related to fanaticism.

Politics

Why does one live here, apart from the fact of a job or making a living? Particularly at a time when the local intellectuals think or at least write articles and books warning about threats to German democracy. Actually, the situation is not disquieting though there is, unfortunately, a tendency toward polarization in the political life of the country and a small number of young terrorists is on the loose. The issues, foreign and domestic, which separate the parties are not profound, though one would think so from reading political debates and the press. Despite the harsh talk there is something like a consensus on the content, if not the style, of major foreign policies—close relations with the United States, security through NATO, support for European unity and relaxation of tensions with the East, particularly the need to try to reach sensible arrangements with a recalcitrant East Germany. (There is almost another consensus these days among parties, newspapers and intellectuals—there is a feeling that President Carter doesn't quite know where he is going.) No matter what party or parties govern, limitations are imposed on the freedom of movement in German policy by the geographical location of the country and the fact of the two Germanys.

All in all, it is a country . . . where you can still walk, talk, listen to music and discuss it afterwards, read a book and find somebody who has ideas about it, get lost in stimulating or fuzzy conversations with artists good and bad.

Human Scale

None of the parties appears to have thought through important domestic problems—energy, environment, education, particularly the confusion at the universities. Yet, when you add it all up, the fact is that never in German history has the place been so free and equitable for the majority. If you look around at the political talent in Europe, there is something to be said for a country where Adenauer, Willy Brandt or Helmut Schmidt becomes chancellor.

Well, why live here? Maybe because in town and country, the scale, the dimensions, are still human. Maybe a city of under two million (West Berlin) is still livable. Just ten or fifteen minutes from where you live, sometimes even less, you can wander in the parks, walk for miles in the Grunewald or along the banks of dozens of lakes, and at this time of the year the forsythia, daffodils, pansies are blooming and the trees are beginning to make Berlin a city of green. Ten minutes from the Tiergarten you can be sitting at a café on the Kurfürstendamm wondering if, by mistake, you are not in Istanbul (every third baby born in Berlin is a Turk).

Culture

Recently, at Siegfried Palm's opera house, there was an enchanting "Arabella," with Fischer-Dieskau singing Mandryka, and the next night Karl Boehm conducted the Berlin Philharmonic while Herbert von Karajan was out of town. And there are hundreds of *Kneipen* and discothèques where the younger set hangs out. Somehow the opera, the Philharmonic, the theaters, the museums—Nefretete in one, 26 Rembrandts and breathtaking ethnographical exhibits in another; Caspar David Friedrich in the Schinkel Museum, not to forget Professor Reidemeister's charming modern museum, Die Brücke—all seem to be around the corner. And there is something to be said for a city where thousands of families live only 10 or 15 minutes from work and take care of their own gardens and where you always bring flowers to your hostess.

There is a reality about a place where a hideous wall cuts the city in two. If the East German guards are well-disposed (the men are easier to contend with than the uniformed women), you can get through the wall at Checkpoint Charlie in about 15 minutes after investing 10 marks or more for the privilege of entering Communist Berlin. There are things to see and do in East Berlin, though the goose-stepping East German soldiers are not recommended. Two striking conflicting world systems in one city—not as pleasant as the glories of Rome or life on the Boulevard St. Michel, but real and something to think about.

Attractive Women

If you know where to look in Berlin, Munich, Hamburg, Düsseldorf, you will see attractive, even beautiful women, dressed elegantly—are not many Paris and New York models German? Many German women radiate spirit and warmth along with their independence and self-reliance. Life is cheerful in their company. If your German is fragile, they speak—or many do—one or two other languages, mainly English.

The cuisine is not Paris, but French friends insist that there are places where the food is excellent.

Germans still know how to stay up half the night. In the twenties, Lord D'Abernon, then His Majesty's Ambassador in Berlin, wrote with amazement about German politicians who could be at their desks at eight a.m., attend meetings and conferences, and stay up far after midnight, talking, drinking, enjoying life. They still can, and not only politicians—also trade union leaders, businessmen, intellectuals, students. And they like to have you join the party.

All in all, it is a country, a city where you can still walk, talk, listen to music and discuss it afterwards, read a book and find somebody who has ideas about it, get lost in stimulating or fuzzy conversations with artists good and bad. Invitations to luncheons and dinners are worth accepting. There is warmth in the company.

Classless Society

Thousands of French, English and American members of the diplomatic missions and soldiers and officers stationed in Berlin feel at home here. Many, ordered to new assignments, leave the place with reluctance. Over the years the city has become a part of their lives. They leave friends, not acquaintances, behind.

There is something to be said, in 1977, for a country which, still under the burden of recent history, has managed to establish almost classless society and found a way for th aver fellow to live in a decent ho be protected by an excellent so security system, enjoy, if wishes, the theater, opera, certs, not to speak of the c Bierstuben, etc., and earn enc to plan next summer's pack holiday in Bali.

As for Berlin, there is a c lenge, an immediacy, in livin the junction of two compe world systems. Berlin is n normal city, and it will no as long as it is surrounde East Germany. At the same it is as secure as other Euro cities. After all, if anyt should happen to West Berlin Federal Republic and the re Europe would not be far be

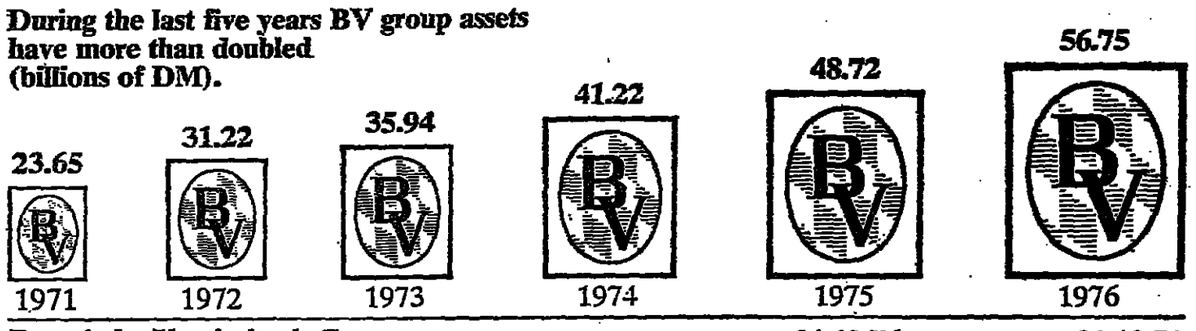
There is considerable unfi ed business here. The place shows what war can do. post-war rebuilding makes wonder about architects and planners. There is opport around for first-class t Sometimes politicians go it. To show what can be take a look at some of the r in the Chancellery in E Helmut Schmidt asked Reidemeister to select the p ings, and now there is a l room, a Macke room. Be public buildings and official houses could benefit from treatment. Berlin needs a flux of quality, of younger ple. There are opportu here.

No doubt about it, the mans are not Italians, Ber not the Berlin of the tw or the Paris of today. In many there is little of the c all Italians are supposed to little of the elegance whic course, characterizes every French. But as a foreigner cannot do much about Par Rome except enjoy them. you feel that you are welc that you are a part of s thing going on in a signif part of the world, that you make a slight difference, that you can enjoy life at same time.

Shepard Stone is a fo journalist and editor, dipl and foundation director, wh director of the Aspen Insti Berlin.

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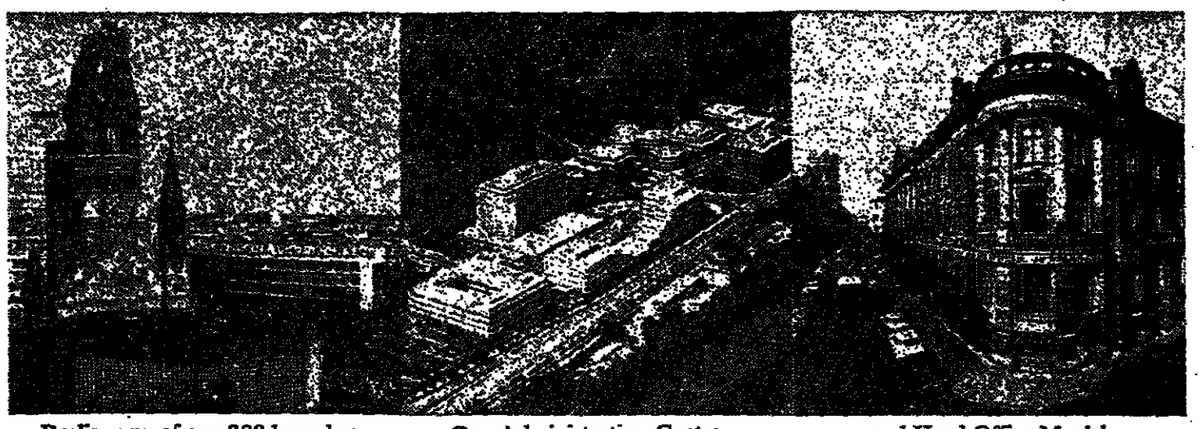
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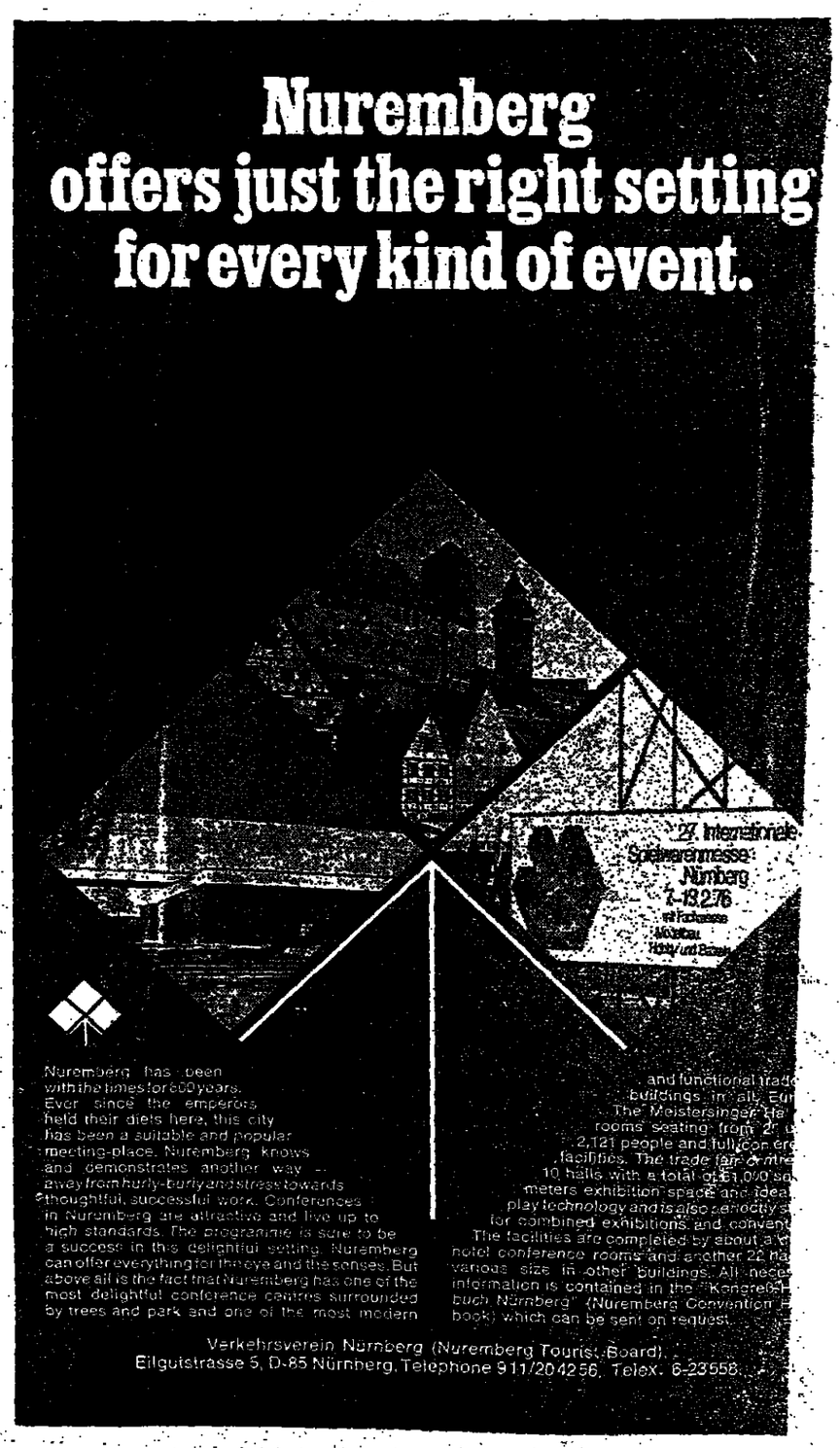
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An Essay: On Trying to Cope With a High Quality of Life

By Uwe Siemon-Netto

HAMBURG (IHT).—It is one of the strangest features of West Germany that the incredibly high quality of life here is not altogether matched by the enthusiasm of the people. It seems that many of them just don't want to admit that they are enjoying their achievements.

You stroll along their wonderfully clean boulevards and high streets. You marvel at the gay colors of their buildings. Most of them seem to be freshly painted with a little help from the state. You notice that the turn-of-the-century stucco, that had been hacked away during the austere fifties, is being spraved back on again in some plastic material.

You wonder how it is possible that all those cars and buses and trams look so new, so shiny. There doesn't seem to be one with a dent in it. You watch those ivory-colored taxis, new Mercedes most of them, with neat little signs inside asking you not to smoke, not to slam the doors and not to put your feet on the seats.

Most of all you marvel at the people. The fat, square-headed German of the yesteryear, the old German with his baggy pants, his sandals and woolly socks, seems to belong to a vanishing breed. He has been replaced by a tall, slender, beautifully appointed generation, overdressed, maybe, even when they are trying to understate, but attractive to look at, anyway.

So Serious

But then you wonder why they are all so serious. They are pleasant enough. They'll return a smile. They won't be rude to a stranger; they'll show him the way. But why don't they ever seem to laugh in public? Why do they reserve their sense of hilarity only for organized events, such as the carnival, when they are told to be gay, or for get-togethers in private homes?

You take your wife to a cozy pub with scrubbed wooden tables. She two of you sit there sipping a beautifully poured glass of beer with a thick, creamy head on it. You love to chuckle at a funny turn-of-phrase. Oh, but then you should see the bewildering stares from the neighboring crowds at the other tables from very serious young people sporting Yves Saint Laurent suits and Cartier watches and Hermes handbags.

Some look quite hurt; they think you are laughing at them. But what else is there to laugh about? Others seem to think that you are not quite clear in your head. Just the two of you sitting there, giggling.

Is it true, then, what the rest of the world say about us, that in Germany humor is no laughing matter? Is this why we worry so much about the undeniable shortcomings of, and dangers to, our society rather than indulge without inhibition in all the fantastic things it has to offer?

Good Humor

Not really. There is a lot of good, even self-deprecating, humor in Germany. There can also be a lot of fun. Nothing can be more entertaining than a ride with a West Berlin cabby who will tell you all about his last passenger, a 70-year-old dowager. She was off on a sentimental journey to Paris because she had had a honeymoon there with one of her many husbands. Unfortunately, she could not remember whether it was with husband No. two or four.

Nothing could be more entertaining, either, than a Sunday evening among the cheerful working people in a Berlin elevated section that has been retired for the duration of the city's division because it happens to be on a line divided by the Wall.

There, an enterprising group of businessmen has turned two yellow trains into a flea market and part of the platforms and tracks into a restaurant decorated in the style of the Gay Nineties. It is called "Nolle," and on Sundays it has a Dixieland band which attracts hundreds of youngsters from all over the city. They will climb on chairs and tables and clap their hands and groove to the kind of music their grandparents used to enjoy.

But then think of the entertainment that is offered to the citizens of the richest nation in Europe as a daily fare. Think of television that is watched by the average German two hours and three minutes every day. It has good, solid documentary programs; it emits serious analyses of current events. But those responsible for its planning seem to have decided that too much fun is not good for a German TV viewer.

Herr Müller

Just think of Herr Müller, a 2,750-mark-a-month welder somewhere in the North. He is off work at 4:30 p.m. and changes into shirt and tie and his neatly pressed 450-mark suit, so he will look just like all those middle-class people in offices and shops.

He will get into his new 13,000-mark car and drive home to his 350-mark-a-month apartment. And there, chances are that the good life will reach its limits. Because after a dinner of sandwiches or sausages and potato salad he will plunk himself down with a bottle of beer in front of his 2,000-mark color TV set and what will he get?

Take a recent Thursday night. After the gloomy eight o'clock news, channel one broadcast, at prime time, a lengthy panel discussion between leading young socialists, who never cracked a smile, and bosses of multinational corporations about the latters' evils and/or virtues.

Channel two, meanwhile, broadcast a magazine program looking at the world from a right-wing point of view.

Channel three, the intellectual one, introduced an East German film about a truck driver to the West German public.

Herr Müller must have been glad when it was all over and he received his first TV smile of the evening: it came from a lady announcer and was of the type that made you wonder where the yellow went.

Dour Generation

On television as well as elsewhere in West Germany's prosperous society a rather dour new generation is gradually moving into influential positions.

They are the rebellious students of the 1960s grown up. They have never known war and starvation, and so they have not suffered sufficiently to have developed a sense of humor.

The men among them are likely to sport a symbol of masculinity, a drooping moustache. They will glare pensively through rimless glasses and tell the folks the undeniable truth that things are really much grimmer than the relatively low rates of inflation and unemployment—both around 4 per cent—would make them appear.

But the gloom and doom in a sizable segment of the West German media can't be the only reason why there is so little laughter in this incredibly stable country whose people are better fed, better dressed, better paid, have longer holidays and—for all its shortcomings—better systems of social security, health insurance and unemployment funds than most of their neighbors.

In West Germany, where the chance of being robbed or murdered is not even a tenth as high as in some parts of the United States, there still exists that ancient phenomenon called "Angst." It is a mixture between fear and anxiety and it has been, as an Englishman wrote recently, "a strong German characteristic from time immemorial that remains very much part of the German life-style."

Have you noticed the grim determination with which, at airports, German travelers charge to the planes? Have you noticed the greed with which, at the buffet table, German tourists load their plates?

Have you noticed the fierceness with which little old ladies in Frankfurt or Cologne or Stuttgart elbow their way onto trains and trams and buses?

It is not that they want to be unpleasant. It is just that their behavioral pattern has been set by those who knew what it was like when there was nothing left in the shop for those at the end of the queue.

There is a lot of Angst in West Germany although this is one of the very few countries in the world without any major radical political parties.

There is Angst there although the Federal Republic has virtually eliminated the danger of a class struggle by turning the workers into bourgeois, who look, live, dress and feel like the middle classes and who own a majority of all private homes and have the means to travel to such exotic places as Kenya or Thailand.

There is Angst although the country has one of the most effective and at the same time most democratic armies in the West.

The fat, square-headed German of yesteryear . . . has been replaced by a tall, slender, beautifully appointed generation . . .

Strangely enough, it is not so much the very real threat from the Soviet forces beyond the border dividing their country that they fear.

Those 45 per cent of all Germans who, according to pollster Elisabeth Noelle-Neumann, are sometimes or often overcome by Angst, fear much less dramatic things than war.

Fears

They fear, most of all, that they might innocently become victims of traffic accidents. Then they fear burglars and door-to-door salesmen. They also fear that they will eventually not be able to keep up the pace of their work.

One thing that almost half of all West Germans dread, though, is the danger of loneliness in their old age. And it is not exactly to the credit of Europe's most prosperous country that the suicide rates among its senior citizens are shockingly high.

Whereas the national average is 21 self-inflicted deaths per 100,000 population, it is 55 among those over sixty and 70 suicides among those over 80 years of age. Of those who reach the age of 90, 103 in 100,000 take their own lives.

Loneliness, says Tuebingen University sociologist Rudolf Schenda, has turned old people in Germany into "living social corpses."

But even to the young the Federal Republic, which rightly rates a compassionate political system as one of its greatest qualities of life, is a place in which one can be very lonely.

Nowhere else do marriage bureaus flourish as well as here. They are a 40-million-mark-a-year industry. Nowhere else do as many lonely men and women send out their mating calls via classified ads. Even the most respected publications cannot ignore them as a source of revenue.

Although a full third of all West Germans, according to Mrs. Noelle-Neumann, suffer occasionally or often from loneliness, the public doesn't seem to be very aware of their plight.

When asked if they had ever thought of inviting a lonely person for Christmas, 75 per cent of Mrs. Noelle-Neumann's subjects answered no. Yet, Christmas is to many the loneliest time of the year. It is the season in which most suicides occur.

It might well be, however, that this prosperous, stable and sane country would be a much jollier place if it were not for the provincialism forced upon it by the mere fact that Berlin is no longer its capital and has not been replaced by any other major center.

The general sense of insecurity that strikes many foreign visitors to the Federal Republic as so strange can certainly in part be attributed to the fact that, unlike the French, the British or the Americans, the Germans have no one place to look to for intellectual guidance.

But this also has its advantages. As in the days before the reunification of the Reich in 1871, the country abounds in smaller cultural and spiritual centers. Every major town has its own theater. There are more than 200 of them in the country and many of them are excellent.

Take Hamburg, a city of 1.7 million. It has 21 theaters, three symphony orchestras and a first-rate ballet troupe.

But there are regular theaters also in much lesser towns such as Esslingen, near Stuttgart, or Guetersloh in Westphalia, in Osnabrueck in the North and in Moers in the West.

The amount of money the states and communities spend every year on their theaters is staggering: 770 million marks.

Theaters

The smaller a city is, the more it invests, per capita, in its stages. In Karlsruhe, seat of West Germany's highest courts, local theaters receive from city hall 130 marks per every man, woman and child in town.

Not surprisingly, Germans are ardent theater-goers. Every week an average of 350,000 watch a play, a full 100,000 more than attend a major-league soccer match.

And the people who have everything—cars, washing machines, comfortable homes, TV sets and stereo equipment—yet laugh so little in public, love a good chuckle in a theater.

For there's nothing these very same Germans like better than a comedy.

The average German family of four has a gross monthly income of 2,700 marks per month. The disposable income after taxes, social security and other insurance payments amounts to 1,903.06 marks.

Of that amount 493.63 marks are spent on food, 304.56 marks on rent and 287.84 marks on transportation. The rest goes into clothing, education of the children, electricity, gas, personal effects, personal hygiene and savings.

Of all German households 99 per cent have a refrigerator, 98 per cent a washing machine and a vacuum cleaner, 96 per cent a camera, 82 per cent a black-and-white television and 29 per cent color TV.

There is no significant difference between thein comes of white-collar workers, who average 2,650 marks a month, and blue-collar laborers, who receive monthly 2,270 marks.

—U. S.-N.

Uwe Siemon-Netto, a foreign correspondent in America and Asia, is a freelance journalist who has returned to his native Germany.

A Government of Paradoxes:
Stability Amid Disaffection

(Continued from Page 2 S.)

...gn style and "good-burgher-...-next-door" image nearly ...de him chancellor, he is a ...phyte in the Bundestag. In ...erience, intellect and oratori... ability he is clearly out of ... depth at opposition floor ...der, especially when he faces ...h glib-tongued masters of re... tee as "Schmidt-the-Lip" or ...bert Wehner, the SPD's caus... majority leader.

"Kohl," says one veteran ob...ver of the Bonn scene, "is ...ting a three-front war which ... bound to lose: against the ...FDP coalition, against ...ss and the CSU, and against ...me 50 front-bench deputies ...th his own party."

...ne of them, ironically, is one ...Mr. Kohl's oldest friends and ...man who did the most to ...him to the top of the CDU ...rt Biedenkopf.

...Professor-turned-business-...-turned-politician, Mr. Bie...kopf was, until last month, ...CDU's secretary-general and ...man who had masterminded ...Kohl's campaign. He resigned the post to devote his energy to cultivating his own political power base—the CDU region of East Westphalia—from which, so the pundits predict, he will either make a bid for the party chairmanship or the prime-ministership of North Rhine-Westphalia, West Germany's most populous state, within a few years.

That the erstwhile Biedenkopf-Kohl friendship has turned into open political rivalry is hardly news anymore, but it is symptomatic of the internecine warfare in the CDU/CSU.

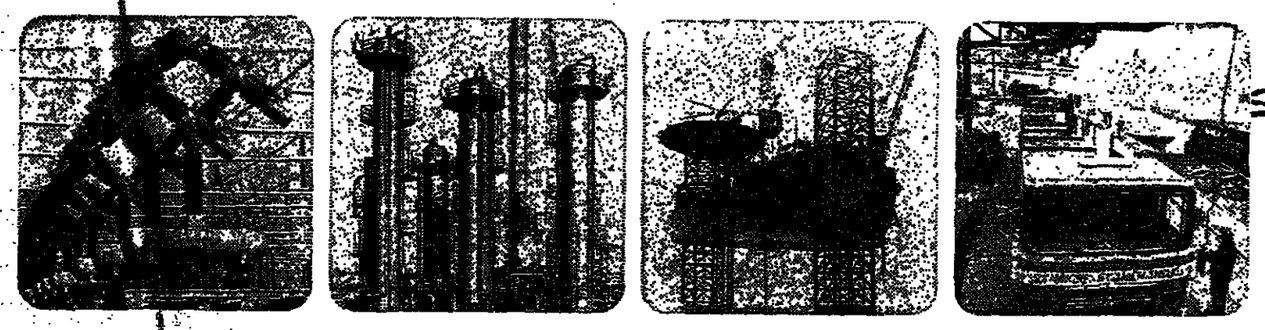
With no further elections scheduled this year, 1977 affords a unique opportunity for this kind of power jockeying in all the parties.

Meanwhile on the SPD-FDP side, Mr. Schmidt is trying to come to grips with the realities of a pared majority and what appears to be an administration adrift.

Whether he can find the momentum to sail out from under the "gray cloud" of semi-permanent crisis that hovers over his government remains to be seen.

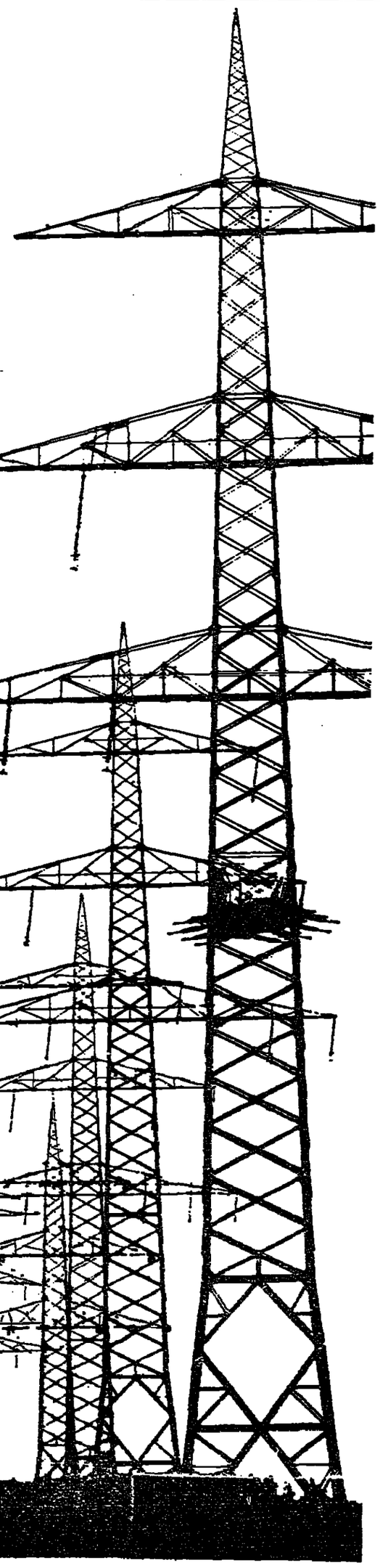
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The EEC—Are German Taxpayers Being Taken for a Ride?

(Continued from Page 1 S.)

which some say can only be attained when monetary union arrives or is imminent, is meanwhile thwarted by notions about sovereignty which still have potent political force in France and Britain and also to a lesser extent in Denmark.

Direct Elections

Like everyone else at the Rome treaty anniversary celebrations, Chancellor Schmidt believes one way around this impasse—perhaps the only way—is through the setting up of direct elections to the European Parliament. They are scheduled to take place for the first time June 1978, though this self-imposed deadline is unlikely to be met because of difficulties some member nations will have in getting the required legislation through their own national parliaments.

Mr. Schmidt's views on this topic are similar to those expressed by the Bundestag president, Karl Carstens, who says: "The value of the forthcoming intra-European voting I believe is not simply the fact of its constituting a milestone in political progress—in that voters will be mobilized for Europe. In addition, the result of this long controversy about European voting also shows that the governments are ready to take that important step from which they have shied away for the past 15 years. The result proves that persistent engagement for integration is succeeding. This assurance will give our new European representatives strength to proceed further towards European integration."

Perhaps alone of the Common Market's so-called "Big Four," there is nothing implied in European integration which would have any controversial consequences among the German electorate. This is a remarkable and seemingly stable state of affairs. Consider the others: The left wing of the Labor party, one of the most chauvinist political groups in the community, is putting every obstruction in the way of direct elections. In Italy the vast Communist party is equivocal about European integration, whatever lip-service it might pay to the idea, and in France the Gaullists feel direct elections are an uncomfortable challenge to national sovereignty.



Hans-Dietrich Genscher

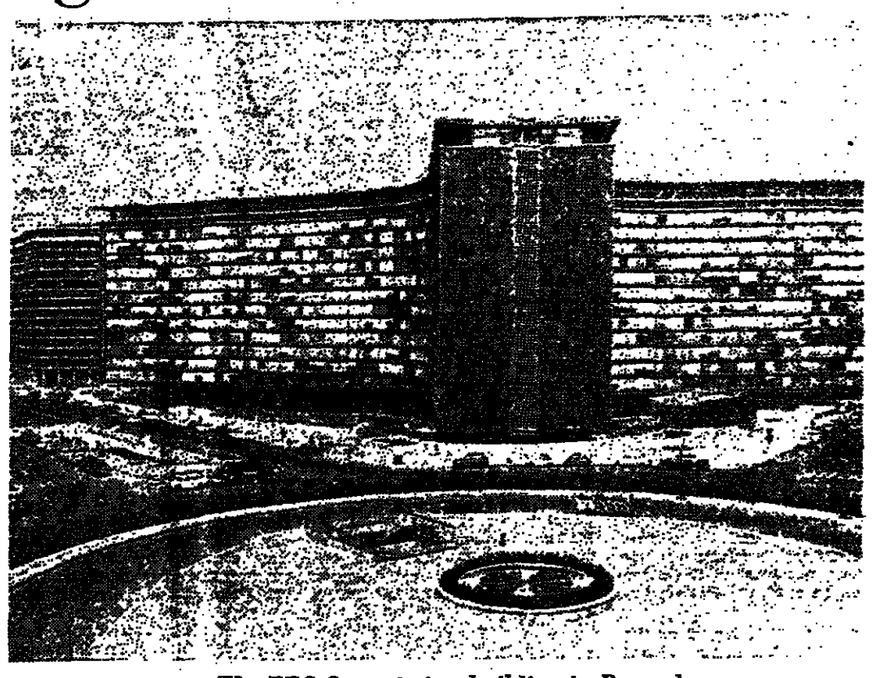
Similarly with the Tindemans Report on European Union. It was a modest though imperfect document which the Federal Republic had no difficulty at all in endorsing to the hilt. Then it transpired that for a variety of reasons several of the Federal Republic's partners could not accept it as it stood. With the rank cynicism which is becoming commonplace in EEC affairs, the others praised Mr. Tindemans's efforts to the skies even while shovelling earth on the report's coffin as they did at last fall's EEC summit in The Hague. In these circumstances, the Germans had no alternative but to endorse the consensus that, in effect, Tindemans is fine—but not yet.

No Alternative

Why, it might be asked, did Bonn feel it had no alternative but to acquiesce if at official level the Germans thought much was to be gained by the Tindemans Report? The answer is that even more important to the Federal Republic than the EEC's fabric in its entirety is the need to hold the ring on equal and amiable terms with the French on one hand and the British on the other. Two years ago it was Chancellor Schmidt and President Valéry Giscard d'Estaing who between them decided a shot at direct elections might be the best way of urging the community out of the doldrums. It was Mr. Schmidt's personal diplomacy with the British (especially with the then Premier Harold Wilson) which did much to give that administration a sense of perspective during the tricky period of so-called "renegotiation." While the chancellor had nothing to do with the crushing defeat Britain's antimarketeers experienced in 1975 when two-thirds of the nation voted in favor of continuing membership, Mr. Schmidt's calming influence on the other—offended—EEC members and his speech in front of a hostile Labor party conference provided reassurance when it was most needed.

If he is to be judged by his performance in the community during those anxious months, then by any standards he is an ardent disciple of the EEC—though it may have subsequently suited his mood—which is at the best of times volatile—to make some intemperate comments about how the Common Market operates. To a man of his impatience, it is hardly surprising he feels the EEC frequently wastes its time and opportunities through obsessive national interests or Gaullist "theological" points such as whether the European Commission president, Roy Jenkins, should attend the economic summit in May. Mr. Schmidt is not a dreamer, he is a doer. With justification he feels that some of the idealism which sustained the community during its first 20 years is fly-blown and inappropriate for the problems which will confront Western Europe between now and the end of the decade. But this does not argue for his lack of commitment, rather it advertises his highly pragmatic approach. In the community's early years, Germany's war guilt inhibited the country from taking proper initiatives: most of the running was left to the French. That can now no longer be the case. Equally, as Mr. Schmidt sees it, there must be an easy accord between Bonn and Paris (and London) if any major initiatives are to be successful.

Ex-Chancellor Willy Brandt, who is currently chairman of the Social Democratic party, puts it this way: "Despite all the emerging inadequacies, the community has been of decisive help in enabling the member nations to face up to—without catastrophic results—the worldwide economic crisis. Moreover, it has been shown how important it is that the Nine have put special emphasis on achieving a fruitful political relationship with each other—also with members of the Third World. In a period not exactly favorable to progress in European unification, the first task must be for us to make sure of what we have achieved." In other words, the EEC must consolidate what it has rather than reach for what it cannot realistically attain in the near future. This is a prosaic enough sentiment, but what is rather striking is the lack of suggestions to this end which come from Bonn. Does Germany think in long and strategic terms about the community's future? There is not much evidence that this is so. While Bonn will certainly be on hand to help in a crisis and certainly be ready with loans when they are urgently needed, as was recently the case with Italy and Ireland, one looks in vain for evidence of what might be called in the United States a game plan.

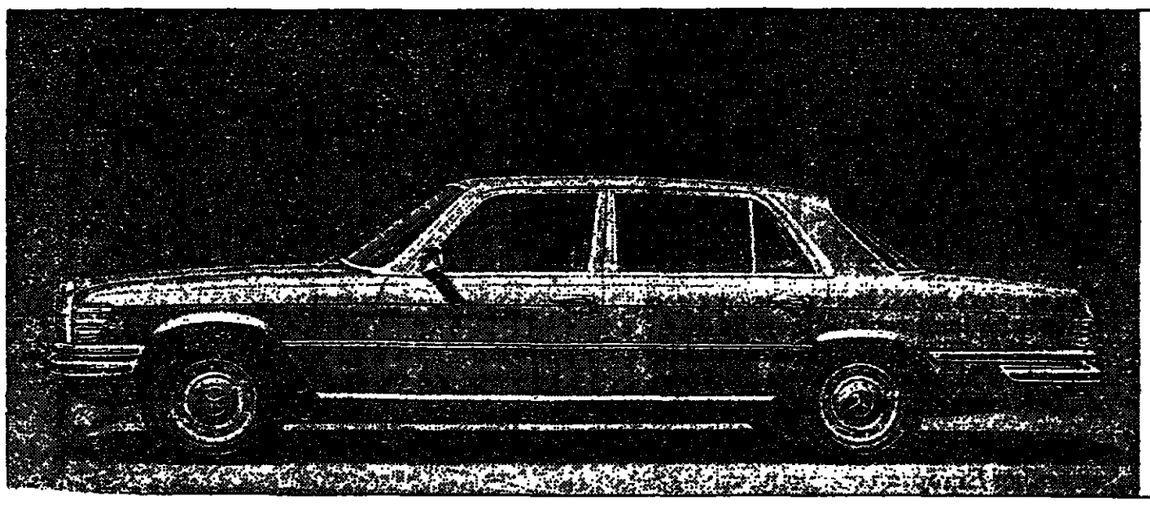


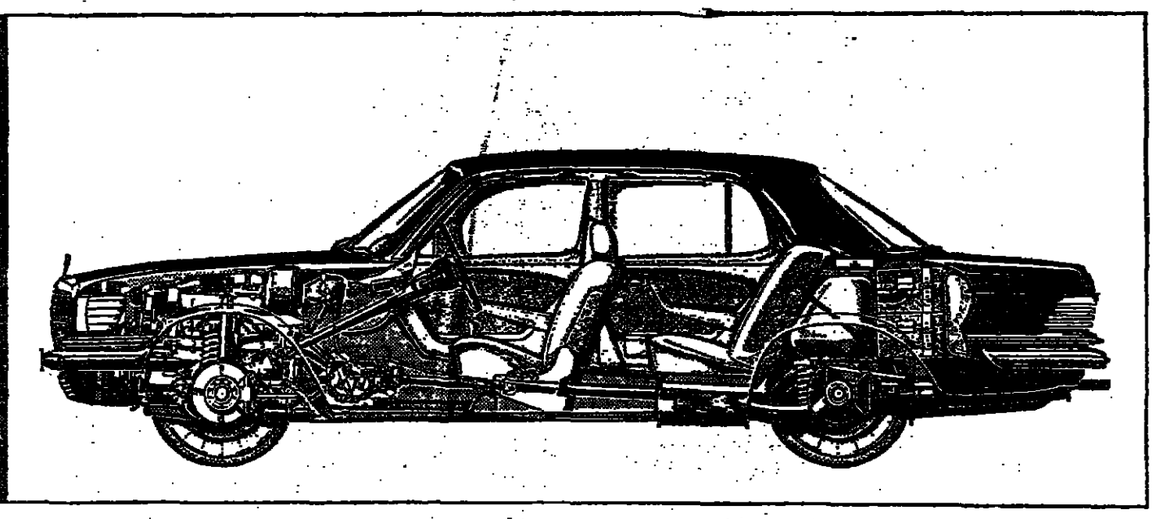
The EEC Commission building in Brussels

Game Plan

And this is precisely what is needed and where the Federal Republic could make a major contribution in the context of the Common Market's further enlargement with Greece, Portugal and Spain in different stages of preparation for eventual membership. Since the cost of such developments will inevitably fall heavily on the Germans, since the shape of the EEC politically and socially will be drastically changed (a change much more radical than the last enlargement which allowed Britain, Ireland and Denmark into the fold), it is surprising that more precision on this subject has so far failed to show itself in Bonn. "European unification is not an end in itself," Mr. Genscher has affirmed. Quite so, but many people in Bonn continue to behave as if it were. He continues: "It is only natural that we should try to establish it by means of particularly close cooperation with those states who are committed to the same fundamental values, *above all* with the U.S.A." The italics are mine. They give a clue to the other perspective through which the federal administration sees the Common Market— namely, that first, last and all the time the Atlantic relationship must be sound and faithful. That this relationship is indeed a pillar of the community. That is a viewpoint which would hardly be shared with the same inte or expressed with such ca in any other EEC capital, e London. It is, of co arguable but it is nonethel view held with some tenacit Bonn.

In the end, however, it be the cost of the commu which molds the German titude towards it in the fu Currently Bonn is asking fo 10-per-cent ceiling on budge growth in 1978 and the Gern *are alone in this insistence.* comes back to Mr. Schmi determination to have "g housekeeping" in the commun Will this be a realistic ambit when the Common Market again enlarged and when, pa doxically, such a virtue may at an even greater premi than now? It seems unlik While this is the coming dil ma for the whole Comm Market, Bonn will be pivot important in the way it is solved—if it ever really is.





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In a Country of Automobiles, the Railway Takes the Back Road

Douglas S. Bruce

BONN (IHT)—West Germany's railroads, once a pride and joy of its public transport system, have raced into massive debts from which there is no easy exit.

The federal rail service is currently piling up losses at the breathtaking rate of four billion marks a year and it is now estimated to be a total of 28 billion marks in the red. The mere servicing of its debt is a couple of billion marks a year and the government is becoming increasingly fed up at having to foot a large part of the bill.

Two recent official reports have proposed axing rail links to help trim the deficit. Railwaymen are fighting the threatened closures tooth and nail, but the only questions left seem to be: How big will the cuts be, and when will they be implemented?

Transport Minister Kurt Gscheidle, himself the son of a railroad official, told leaders of the country's public transport industry earlier this year that cuts were no cure-all for the railroads' financial plight. But he added that these difficulties, now overshadowing West Germany's domestic public transport scene, were so serious that some reductions in services were inevitable.

"The railroads cannot be modernized when certain services have a share of public transport of only three per cent," Mr. Gscheidle said in a magazine interview in March.

The West German rail service (Bundesbahn), faced with stiff competition in a country renowned for its love affair with the automobile, has been losing money for years. The losses have been in most trading areas but have been particularly high in the passenger sector. Far-reaching rationalization measures, including a clampdown on recruitment and a general economy drive begun in 1974, have failed to put the brakes on the deficit.

The seriousness of the situation can be gauged, apart from the sheer size of the losses, by the fact that the Bundesbahn's own executive board, in a report issued in January 1976, suggested scrapping almost half the existing network of 28,200 kilometers (17,625 miles) of track, about 23,500 kilometers (14,690 miles) of which are also used for passenger traffic.

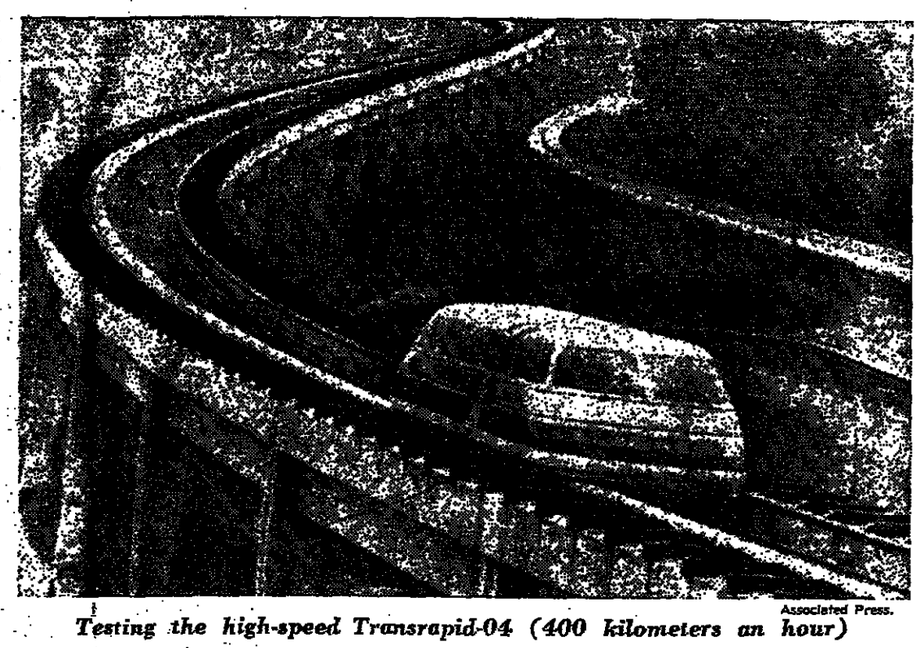
The board remains convinced of its wisdom, but politically its report was too hot for the Socialist-led government to handle, and this February the ruling coalition in Bonn came up with its own formula for getting the Bundesbahn back on the rails financially. Drawn up by a team of junior ministers, it proposed cuts of up to 6,000 kilometers (3,750 miles).

The officials said that many uneconomic services should be transferred from rails to roads —to buses which would be cheaper to run and which would be more suited to the smaller number of passengers involved. Their study, based on surveys in seven test regions, could save between 500 million and one billion marks a year, according to Federal Transport Ministry officials.

As these reports show, there is general agreement between the Bundesbahn's management and the government that a lot of excess flab will have to be hacked off the railroad system, still one of the most efficient in the world.

Fares, naturally, are having to go up. Just last month the board announced that season tickets for concessional commuter travelers such as schoolchildren and businessmen would rise by more than 14 per cent from May 1.

Bundesbahn board chairman Wolfgang Vaerst warned in a recent article in the railroads' magazine: "The railroads of the future cannot be those of the present." The Bundesbahn had to remember that, despite the massive cash injection it was getting from the government, it was not the state's main priority, he said.



Associated Press.

Testing the high-speed Transrapid-04 (400 kilometers an hour)

Mr. Gscheidle, a former union leader, is well known as a realist and for him the writing is on the wall: In commuter traffic, schoolchildren pay less than 10 per cent of the actual cost of their travel, businessmen only 15 per cent and routine travelers less than one-quarter.

If major changes are not made, Bundesbahn officials expect the federal government will have to double its aid to the rail services by 1985. It is estimated that the system will have piled up a total loss of 40 billion marks by the end of this decade.

There are a variety of reasons for the fall from favor of the railroads, with more than 400,000 staff one of the country's biggest employers. According to Mr Gscheidle, only seven per cent of all West Germans now prefer to travel by train. In 1950 its share of total passenger traffic was 40 per cent. The picture in goods haulage is also gloomy: the railroads' slice of total cargo transport slumped from 55 per cent, measured in tons per kilometer, in 1950 to 30 per cent in 1975.

This has been despite strong claims that trains should be a favored mode of transport because they are relatively harmless to the environment, and despite West Germany's central geographical position which gives it comparatively high revenues from through-European traffic.

The main cause of the railroads demise is the continuing rising popularity of the automobile in a country in which Benz and Daimler claim to have been the first companies to have produced motor cars for sale, in the 1880s.

The automobile, king of 6,000 kilometers (3,750 miles) of freeways on which—unlike all other West European states—there are no speed limits, is the favorite transport of an estimated 80 per cent of West Germans. Lagging way behind are buses, railroads and airplanes. The automobile business, now picking up swiftly after an economic recession which hit it harder than most industries, continues to tempt the generally affluent German consumers with a stream of attractive new models.

Traffic jams are commonplace in West Germany at vacation times or busy weekends, with the country's 30 million motorists remaining faithful to their vehicles and preferring to ignore the Bundesbahn's sales campaign slogan of "Taking the train means you're on holiday right from the start."

Not unexpectedly, the railroad workers' trade union (Gewerkschaft der Eisenbahner Deutschlands) has set the signals at red for any widespread closures. "We did not build the railroads up from the ashes of the Second World War just to see them go to rot," a union spokesman declared.

Concern for Jobs

More than a year ago, the union launched a countrywide campaign entitled "Save the Railroad." Union officials say they fear the management's aim is to pare the total amount of track down to 15,000 kilometers (9,375 miles). Cover pictures of pamphlets issued as part of the campaign show motorways clogged with queues of automobiles and trucks, belching exhaust fumes, contrasted with an electric train whizzing down an otherwise deserted track.

According to the union, the number of stations handling parcels dropped from 3,200 in 1970 to 400 in 1975, causing particular inconvenience for small and medium-sized firms in relatively rural Bavaria and parts of Hessen, Lower Saxony and Schleswig-Holstein.

Union leaders are primarily concerned about jobs. With so many at stake, large-scale redundancies could have a significant impact on West Germany's overall dismal unemployment situation. The management is equivocal on the subject of how many jobs will have to go but is trying to reduce most surplus manpower by holding down recruitment and not replacing staff who retire. It is a proud Bundesbahn boast that since 1958 it has cut its work force by 140,000, and over the last two years by 36,000. It plans to decrease this by a further 30,000 by 1979.

What, then, is the answer to the railroads' dilemma? The government, administration and union are united in the view that there is no patent remedy, and price rises alone cannot bridge the gap. One course, though, is to be pursued with renewed vigor—spend your way out of trouble. The Transport Ministry's proposal, formally okayed by the West German Cabinet in Bonn in March, is for public investment in the railroads to more than double as proof positive that they do indeed have a future.

Under Mr. Gscheidle's plan for the period to 1985, investment in the Bundesbahn will leap to almost 16 per cent of the total allotted to public transport, a sum equivalent to around 17.7 billion marks. "This doubling of cash for the rail services is a great step forward," the minister said.

Automobile's Loss

The government's initial major contribution, of some 2.5 billion marks, is going towards the construction of a new electrified track between Mannheim and Stuttgart, begun last August, on which trains will race at speeds of up to 250 kilometers (156 miles) per hour. Trains with speeds of up to 500 kilometers (312 miles) an hour are a medium-term possibility for West Germany's railroads. The government and several German firms have been cooperating in experiments with the so-called nover-train which is lifted off the rails by magnetic attraction or repulsion.

The railroads gain is to be compounded by its share of an additional 3.7-billion-mark package for the improvement of the country's public transport system contained in a broader investment program agreed by the West German Cabinet in March.

It will also be the automobile's loss. Perhaps heeding the cries of the environmentalists, the government has reduced the trunk roads' share of ordinary public transport investments from 60 per cent to just over 53 per cent. Rivers and canals will get 6.6 per cent of the budget, or 7.3 billion marks, and urban transport 10 per cent or 11 billion marks. The Bundesbahn's allowance will be used partly to modernize eight major rail sections and to build two new ones.

The exact shape of West Germany's rail system of the future will not begin to emerge until after a conference, scheduled for May, of the transport ministers of the country's 10 states.

In view of the massive and mounting deficit, there is no doubt the ax will fall. Mr. Gscheidle has said affected passenger services could be withdrawn fairly soon but that goods services would not be chopped until 1980 at the earliest. The minister has made it quite clear, though, that the reductions will be considerably less than those mentioned in the Bundesbahn bosses' controversial blueprint.

"By 1980 I hope to have proved that we can not only halt the railroads' dangerous trend but to have it going in a positive direction. Then we will be able to convince the finance minister and the taxpayers that the Bundesbahn is no longer a budgetary risk," Mr. Gscheidle stated.

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As the State Tries to Combat the Crisis in National Health...

By Cecil T. Brown

BONN (IHT).—West Germany survived the recession of the early 1970s comparatively unscathed compared with its competitors, but one aspect of the economy was neglected—the social services.

Suddenly last summer it became a matter of public concern that there was a looming deficit in the national pensions fund. The crisis became one of the most hotly disputed topics in the campaign for the October election, with both Helmut Schmidt's ruling Social Democrat-Liberal coalition and the conservative opposition assuring voters that the only way to secure the fund was to vote *them* into power.

After the election it became clear that unless something drastic was done the whole system would collapse.

Then early this year the health service leapt to the center of political and public debate. Proposals to cut back medical expenditure in this nation of hypochondriacs brought highly conservative and highly paid doctors and dentists out on their very first strike.

It is simply a question of cash —*too little for the pensioners* and too much for the health service. The two are closely linked, of course, because old people naturally need more medical care than the young. The following is the background to the disputes and solutions proposed by the Schmidt government:

Doctors' Strike

Within weeks of the publication of government plans to stop an explosive rise in the health costs early this year the doctors went on strike and demanded the plans be scrapped.

Throwing up their arms in horror at the very suggestion that their incomes be linked with those of others (and that a limit be set on the amount of pills they can dispense, doctors' leaders appealed to their patients for sympathy and support.

They placed half-page advertisements in the major newspapers and distributed armfuls of leaflets in their waiting rooms to warn [illegible] standards could only [illegible] people would go [illegible] the government plans might pass.

They raised the spectre of nationalization, always a disquieting notion for West Germans, whatever the issue, and based much of their case on the need to ward off a threat to personal freedoms.

All this in a nation which has a fetish about health. In a nation which spends more on medicines and cures than any other and where general practitioners are more highly paid than anywhere else in the world.

Runaway Costs

In the last 15 years their incomes have risen more than four times and now average about 190,000 marks a year. As this is about six times what the average skilled worker earns, sympathy has not been running too high in their favor, and their campaign has been condemned by union leaders.

The government is faced with the task of reining in the runaway health costs which last year reached 95 billion marks, almost three times as much as 1970.

The sudden leap in expenditure, much of which has found its way into the pockets of the doctors, dentists (who make even more than doctors) and dispensing pharmacists, reflects an attitude of laissez-faire instilled by the whole medical insurance system.

The system, which is over 100 years old, is based on 1,600 independently run insurance companies called *Krankenkassen*, to which nearly everyone pays a monthly contribution. When they visit a doctor, pick up prescribed medicines or have a hospital stay, the bill is sent to the *Krankenkasse*, which pays the doctor, chemist or hospital concerned.

Indirect Payments

Because there is no direct payment by the patient (his insurance contribution is deducted by his employer) for specific visits or medicines, his attitude is that since he has paid his monthly due to the *Krankenkasse* it is senseless to waste a service he has already bought. Many people tend to seek a doctor's help for even the most minor ailment "to get their money's worth." On average, every West German makes six trips to the doctor a year, far more than in any comparable country.

The doctor, on the other hand, understandably treats as many patients as possible and sends in his records to the *Krankenkassen*, who pay automatically.

In reality, of course, the patient pays, however remote he may feel from the process. Industry and commercial concerns also suffer because employers match the worker's contribution with an equal payment.

Contributions shared by employee and employer have increased threefold since 1970 and are now eleven per cent of a worker's gross income. There are also contributions of 18 per cent to the pension fund and three per cent to the unemployment fund, both of which are state run.

Government Proposals

Under the new government proposals, the health payment is certain to rise in July, and the unemployment money will also probably go up.

The government is faced with the task of reining in the runaway health costs which last year reached 95 billion marks, almost three times as much as in 1970.

The new Minister of Labor, Herbert Ehrenberg, has drawn up a list of proposals to cut costs which are almost certain to be passed by parliament, maybe in slightly diluted form, in June.

The most controversial is to control the increase in doctors' remuneration, which has been going up by about 16 per cent a year. The amount of money a doctor receives from the *Krankenkasse* for each type of treatment is worked out in annual discussions between the two sides, but these talks have never been governed by laws.

Dr. Ehrenberg wants them institutionalized and the rates of pay worked out in terms of five criteria—the development of average working incomes, the amount of money the *Krankenkassen* actually have, the income of people in comparable professions, the estimated practice costs and the time spent on duty.

Doctors, intent on preserving their special place in society, are violently opposed to such an institutionalization, but they have little support.

Harnessing Pills

The government also wants the amount spent on pills and medications to be put in harness. Doctors would only be allowed to prescribe a limited amount of medicines, and if they overstepped this they would have to pay the difference themselves.

For many doctors this is the most provocative of the Ehrenberg proposals. They rate this as an interference in their freedom to operate and have played on the fears of their patients by shouting about the drop in service this could bring. But it is pointed out that they often prescribe more expensive pills because this is more reassuring to a patient than a cheaper potion with the same effect. Doctors' critics also say they often give pills to a patient who is not really ill simply as a psychological sop.

West Germans swallowed, rubbed in and popped up 7.7 billion marks worth of pills and medicines in 1975.

In a reference to the proposals to *cut pill consumption*, the action committee of the West German doctors' federation said in their newspaper advertisements: "Sick people will no longer get what they need, but what they are allowed to have."

Too Many Beds

The cost-control plans also recommend reducing the number of hospital beds available. The country has 3,500 hospitals, and this is clearly too many.

In the area of Regensburg, in Bavaria, a recent study concluded that the number of beds be cut by 924 in the next eight years. It suggested that only four of the present 11 hospitals would be needed.

The West Berlin Senate believes the city's hospital capacity of 33,000 should be reduced by 10,000 by 1990.

Minister Ehrenberg described the doctors' strikes—they closed their offices twice in two days in February—as "an anti-constitutional attempt to blackmail parliament." He said it was a political strike, "a self-interested campaign which endangers the state."

While this may have been true to a bit too far, it is clear that there is a political motive behind the doctors' action. Most doctors tend to be conservatives and strongly dislike socialist trends.

Many feel that the Ehrenberg proposals, which will tie in other social services of pensions and unemployment benefits, would be a step towards undermining the independence of the *Krankenkassen*, towards a totally state-controlled health service.

This would not just be politically unsavory, it would have a nasty effect on incomes.

...There Is Worry Over a Looming Deficit in the Pension Fun

By Cecil T. Brown

BONN (IHT).—For 11 million of West Germany's 61 million people the last year has been a time of uncertainty.

The country's pensioners, who expected the fruits of a working lifetime's payments into the state pension fund, suddenly read in their papers and heard from politicians that the fund was running short of cash.

According to Labor Minister Herbert Ehrenberg, drafted in by Chancellor Helmut Schmidt to sort out the crisis, the fund would fall 30 billion marks into the red by 1980. That is roughly equivalent to the total paid out to old people in 1976.

The true extent of the problem only emerged after last autumn's election. The winning coalition of Social Democrats and Free Democrats went into a huddle to try to find a solution. But when their initial proposals were leaked they caused such an uproar that there was even talk of the government being brought down over the issue.

Mr. Ehrenberg has now drawn up a new complex of proposals which have been branded by critics as simple wall-papering, as manipulation of the system and as a way to gain time. The minister claims they are a step towards "long-term stabilization of the pension fund," and they are almost certain to be passed by parliament in June.

500-700 Marks

Not that pensioners in the affluent West German society can feel hard done by. The average state pension is between 500 and 750 marks a month, out of which they pay no contribution to health costs.

The payments system, introduced in 1957, is called the dynamic pensions formula and relates pensions with workers' incomes. Annual increases are worked out in relation to the average wage increases of the previous three years.

This formula worked smoothly until the early 1970s, but no one had calculated for the five-fold oil price rises and the accompanying recession. The West German economy was strong enough to absorb much of the necessary industrial cutback partly by running up a huge pool of unemployed and sending hundreds of thousands of foreign workers home.

But the recession played havoc with the pensions formula. Suddenly payments to the fund dropped heavily (because the jobless make no contributions) while its outgoings increased (because of high wage rises, particularly in 1974).

Under the system the pension rise due, and paid, last July was 11 per cent, but this compared with an average wage rise in 1976 of less than seven per cent and an inflation rate that hovered around four per cent.

Fierce Opposition

The first idea of the ruling coalition was to put off the next annual increase by six months from July 1977 to January 1978. Pensioners' organizations and the opposition reacted with such violence to this suggestion that the blushing coalition withdrew, and few were convinced by their claims that this was simply one of several ideas being kicked about.

The then labor minister, Walter Arendt, who had expressed his desire to leave the government repeatedly, stepped down, and Mr. Ehrenberg, a former Social Democratic economic spokesman, was brought in.

Subsidy

He decided it would not be politically possible or socially just to put off this summer's increase, which will be 9.9 per cent, but he wants the next rise postponed until January 1979.

The old dynamic pensions formula will be retained, but modified to relate pension increases more directly with current income rises. The year 1974, for example, which included very high wage increases, will be dropped from the calculations.

The fund's reserves, until now a minimum of three months' pensions payments, will be reduced to the equivalent of one month's payments.

The government proposes digging into the present reserves of about 35 billion marks to help keep the fund going. This of course will endanger the fund's ability to withstand more rough economic weather and make it more likely that the government would have to step in with a subsidy.

The Ehrenberg proposals, which the opposition has said it substantially accepts, also include measures to bolster up the pension fund by dipping into the other main social insurance pools, the unemployment and health funds.

Health Insurance

The unemployment fund, which has survived the battering of a million jobless drawing on its resources remarkably well, would in future have to pay contributions to the pension fund for all those on unemployment pay. This has been attacked as simply playing with the accounts, as just taking money from one state-run pocket and putting it into the other.

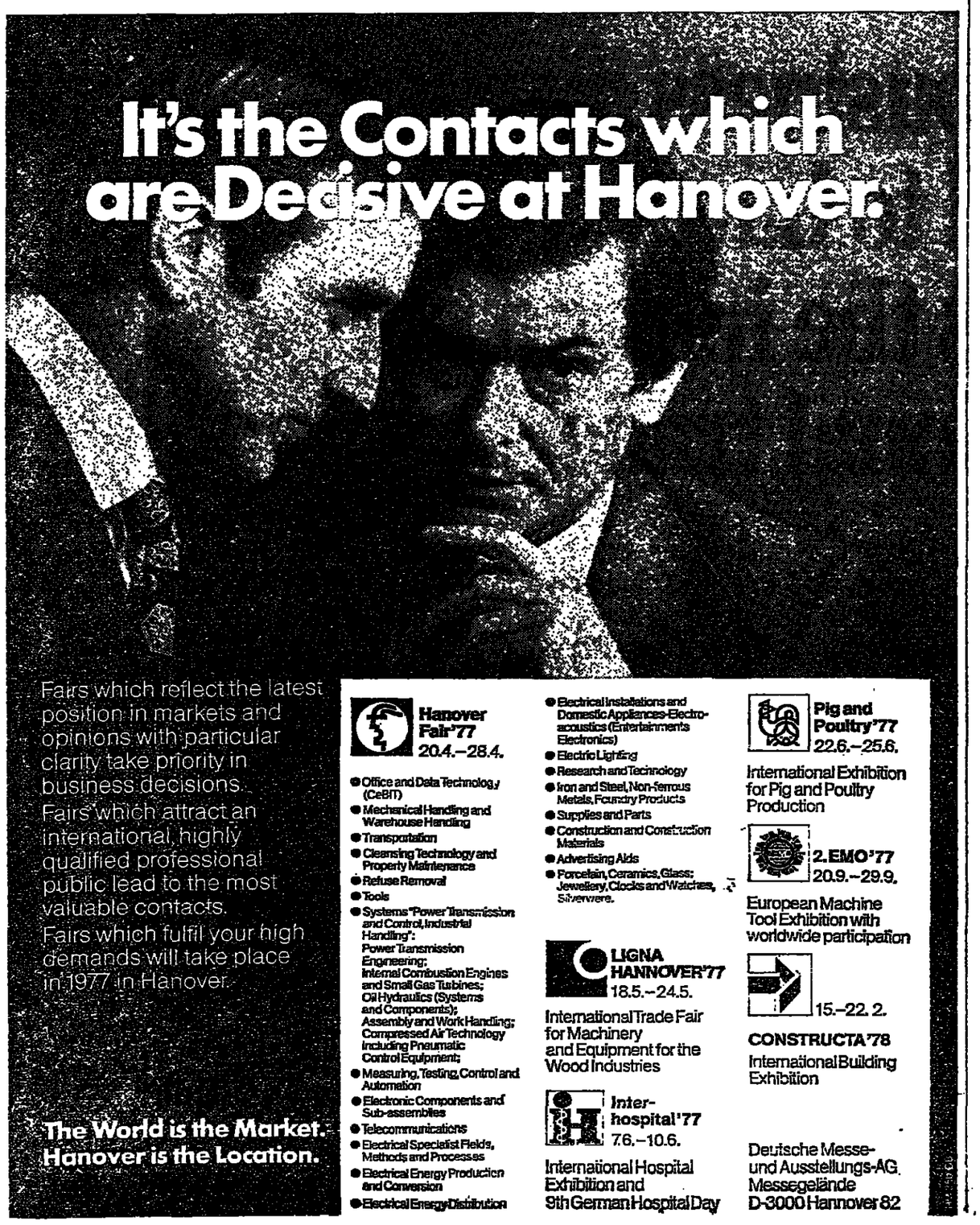
The government also plans to make the health insurance companies, the *Krankenkassen*, more for old people's medical care. Old people pay no health insurance, and up to now the fund has paid subsidies to the *Krankenkassen* to cover their treatment.

This contribution is to be reduced, so that more of the cost of treating old people will be on the shoulders of those paying into the *Krankenkassen*.

It is hoped that much of the extra load will be offset by savings in medical costs, but there is little certainty to be another rise in health insurance contributions.

Because some *Krankenkassen* have more old people registered with them than others the extra load will not be shared out equally among them.

The government is therefore contemplating some sort of cost-sharing scheme, which many doctors mistrust. They believe this is a first step towards state interference, and ultimately state control of the whole of the health service.



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West Berlin: Breathing New Life, Energy Into a Troubled City

By Theo Mann

WEST BERLIN (IHT).—To a casual visitor who flies into e ultra-modern Tegel airport it hard to square the Berlin he s read and heard about with e living reality.

The West Berlin of books and wspapers is the Wall, a rendez- us with a spy, the armed ards, the flashpoint of East- est tension, the compulsory opover for Western heads of ate for a ritual assertion of com- itment until doomsday.

But the real thing is far more undane. It is a city of some o million people, complete with ght power stations, more than 00 industrial concerns, an un- rground railway with 98 sta- ons and, surprise, surprise, al- ost half the area is taken up th lakes or open space.

From the Communist fence rdering the suburb of Frohnau the north to Rudow in the uth is 17 miles.

For our casual visitor, who re- rns home with some instamatic aps of the Wall and an armed st German border guard spot- d on the other side, it would ppear that the biggest threat West Berlin is that the sur- unding hostile power will one y simply walk in firing from e hip and take over.

But the concrete slabs and the rbed wire are only the outward gns, the pimples and scars on e metropolitan body. In fact e threat of a physical assault minimal.

Dying City

The real fear is that the old ty, starved of direct contact ith its friends, will gradually e of old age, a process which n only be speeded up by the tterness of its neighbors.

For all the vigor apparent along e Kurfuerstendamm, the main rtery, West Berlin has an age roblem, an energy problem and breathing problem.

The population is dying off aster than it can be renewed, upplies of energy are drying up nd industrial production, the ife-force, is winding down.

In the words of Franz Josef trauss, former finance and de- ense minister in the Bonn gov- rnment and leader of the ultra- onservative Bavarian Christian ocial Union (CSU), "West Berlin certainly not endangered mili- rily, but is threatened through s hazily formulated legal basis nd by the wasting away of its opulation and its economy."

The big issue is the economy, nd that, for West Berlin, means ndustry. Willy Brandt, former hancellor and onetime mayor f Berlin, said he did not wish join the ranks of the crisis- ongers, but "what concerns us s the question whether and how his city's viability can be secur- d on a long-term basis."

Disappearing Industry

Since 1970 about a quarter of he industrial jobs have disap- eared. One of the largest con- erns, Siemens, has cut back its ork force by 38 per cent because f rationalization.

Orders are lagging far behind he rate in West Germany, and hile industrial investment in the ederal Republic as a whole went p by five per cent in 1976, it ropped here by 11 per cent.

When Chancellor Helmut chmidt referred to the city in is policy statement on being worn in for a new term of of- ice last December, he said: Economic considerations must e at the center of our efforts or Berlin in the next few ears."

West Berlin is dependent for ts economic survival on an an- ual grant from the West Ger- an federal government. This ear the city will receive about even billion marks, an increase f about 500 million marks over ast year's total.

This dependence has produced what many commentators have alled a "subsistence mentality." Because many of the city's con- erns have to rely on the sub- idies their competitiveness has been blunted.

Deficits Covered

And, as the Berlin newspaper Morgenpost pointed out, it is not ust the independent industrial rms which have slipped into this ay of thinking. "The respon- ible politicians in the Rathaus choeneberg (the city hall) have pended too much on having the ity's budget deficits covered by onn because of its special politi- al role and the admittedly awful eographic disadvantages for its conomy."

The massive injections of aid rom West Germany have not een enough to solve the economic roblems. Unemployment here is s high as in the Federal Repub- ic despite the fact that the work orce is rapidly dropping. The erman Institute for Economic esearch (DIW) said the working opulation would fall by 10,000 his year as people retire or move way. It is now about 850,000 ompared with 960,000 in 1970.

The DIW estimated there was a eed for between 15,000 and 20,000 ew skilled workers in the city nnually. Last year 10,000 people oved here from West Germany.

The general population figures have long alarmed city planners. About one-third of the two million citizens are over 65. The population has dropped by more than 30,000 annually in the last few years and there seems to be no change to the trend in sight. Some forecasters predict there will be only 1,500,000 West Berliners by 1990.

This would essentially mean a loss of young, healthy, working people, and would have a catastrophic effect on the city's ability to survive as an industrial entity.

Creating Jobs

Creating new jobs is "the key to the stable economic future of the city," in the words of the senator in charge of labor affairs, Horst Korber.

The main facility for boosting the postwar capital's economic viability has been the *Berlinfoerderungsgesetz*, which means the law for promoting Berlin. The law, first introduced in 1950 and updated in 1970, is aimed at providing tax concessions and easier conditions for people and firms setting up and operating in West Berlin. The law has often been abused, and in 1975 the senate asked Bonn to take a look at how it could be tightened up.

The special conditions offered under the law have had little drawing power in the last few years. Firms are moving away or cutting their work force far faster than new concerns are setting up.

One coup for the city planners, aided by the Berlin promotion law, was to persuade the Bavarian motor company BMW to invest about 200 million marks in expanding its production here, a move which will create more than 1,000 new jobs.

Tax Concessions

But there is a high price to pay for this small patch of blue in a gray sky. The film will get an estimated 80 million marks in tax payers' money as an inducement, mainly in tax concessions.

Firms are put off moving to the isolated capital, a capitalist outpost 113 miles inside Communist territory, because of the transport problems. All raw materials have to be carried across East German territory by roads, rail or waterways which are vulnerable to delay or interference, and the city's producers are cut off from their markets.

Before the war more than a third of Berlin's industrial production was sold in what is now East Germany. Now less than two per cent is for the Eastern state's markets. More than 80 per cent of production goes to West Germany.

West Berlin's dependence on Bonn economically is clear. But in one other aspect—energy supplies—the city is dangerously independent. It is the only major European conurbation which is not linked with a wide power grid. The contact with the West German network was cut in 1950.

Energy Problem

The city is totally dependent on eight power stations. Two-thirds of the energy comes from coal-fired plants, the rest from oil-fired plants and nuclear power stations have been ruled out mainly because of the political implications and the problem of disposing of the radioactive waste.

Because it is not tied in with a network, West Berlin has to have a far greater production potential than it is likely to need because sudden extra demand cannot be met by tapping a reservoir elsewhere as in all other parts of Europe.

While the present supply is adequate, demand is rising by about five per cent annually and by the early 1980s there is going to be a shortage unless something is done.

The senate has planned a new coal-fired power station to be built in the Spandau Forest close to the frontier in the west of the city. The first stage of this project is due to be turning out 600 megawatts within about four years, but environmental groups, complaining about the destruction of some of the city's valuable green walking area have stopped the project with a court order.

Nothing can be done until the court decides on the case, probably in late April, but building was due to start in May, and this date has already been postponed.

Officials say unless the power station is built, nine per cent of Berliners will face possible supply cuts in the winter of 1980-81.

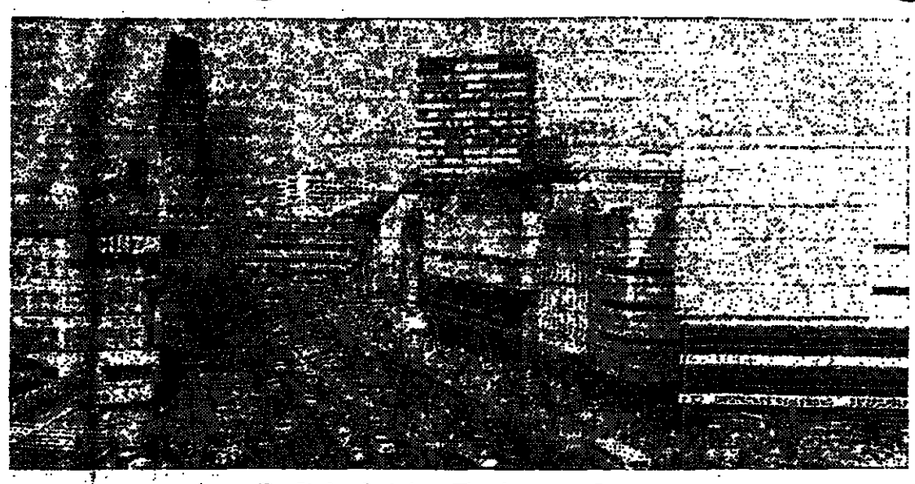
Network

Talks have been held on linking the city with the West German network, but these have been tied in directly with the mesh of negotiations on economic and political relations between the two Germanies and few people expect anything to come of this.

There was more optimism over a project whereby West Germany would build a nuclear power station for the Russians at Kaliningrad, formerly Koenigsberg, close to the Baltic coast and the Polish border.

The plan was to build a supply line through Poland and East Germany to West Germany, via West Berlin. The Soviet Union would have paid for the atomic plant with electricity supplies. The scheme would have provided West Berlin with a link to the West German network and solved the city's acute energy problems.

The deal was negotiated in secrecy for a long time and then dropped. The Russians said there were financial difficulties, but Bonn officials believed the plan foundered on the rocks of East German objections.



Berlin's thriving Kurfuerstendamm

Still Hopeful

Chancellor Schmidt is believed to still harbor hopes of reviving the scheme and may discuss it with Soviet Communist party leader Leonid Brezhnev when, and if, his projected visit to Bonn comes off.

East Berlin has offered to simply plug the Western sector of the city into its national grid, but West Berliners do not want to be dependent on the Communist administration for their energy.

The threat to the electricity supplies cuts into the basic feeling of security in the city. It reminds West Berliners of their isolation, of their vulnerability and their dependence on the cooperation of their Communist neighbors.

This cooperation has shown to be wanting in the last six months as the East Berlin authorities took a series of steps aimed at undermining the four-power status of the whole city. The Soviet Union and East Germany now base their negotiating stand on the assumption that four-power agreements apply only to the three Western sectors.

Pressing their point, the East Germans have imposed extra border tolls and controls, prevented more than 100 Westerners from visiting their relatives and friends in the East and generally have shown a hostile attitude toward the walled city.

The uncertainty this has generated has of course discouraged many Western firms which would otherwise have taken advantage of the tax concessions and moved to West Berlin.

Housing

Another aspect of the city has also deterred potential immigrants —a serious shortage of good housing.

Of 1,050,000 homes, 500,000 do not have their own toilets and baths; 140,000 more are without a separate bathroom. As a trip through many of the suburbs indicates, nearly half the homes were built before 1918.

The senator in charge of building, Harry Ristock, has set a goal of 125,000 new or renovated homes by 1990, but he admits this is a tall order. He said to finance the present plans up to 1980 requires close on one million marks, and it is not clear where this will come from.

The most spectacular and controversial construction project now going on is a massive conference center close to the old congress and fairs buildings. The new center will cost some 775 million marks and be ready for occupation in two years.

This center is at the core of plans to breathe some new life into the old city by promoting it as an international meeting place, but it has come under strong fire from many Berliners who would rather see the money spent on more immediate social improvements.

Concern

West Berlin appears to be reaching a crisis point. The wasting and aging population, the pressure from across the Wall and the economic slide spurred on by the recession have combined to bring a new awareness of the city and its problems.

American Vice-President Mondale, French Foreign Minister Louis De Guiringaud and Chancellor Schmidt have all visited the city this year to express their commitment to its future. Mr. Schmidt's ruling Social Democratic party (SPD) set up a special committee of senior officials including Mr. Brandt to consider the city's future.

The conservative opposition Christian Democrats (CDU) also held a party congress here to demonstrate their concern for the city.

Mr. Schmidt set up a body of some 40 firms two years ago to meet in the city twice a year and look at possibilities for new investment, but this has had little effect. In January the Berlin Senate introduced a 14-point list of measures, including even more tax concessions, to lure industry here.

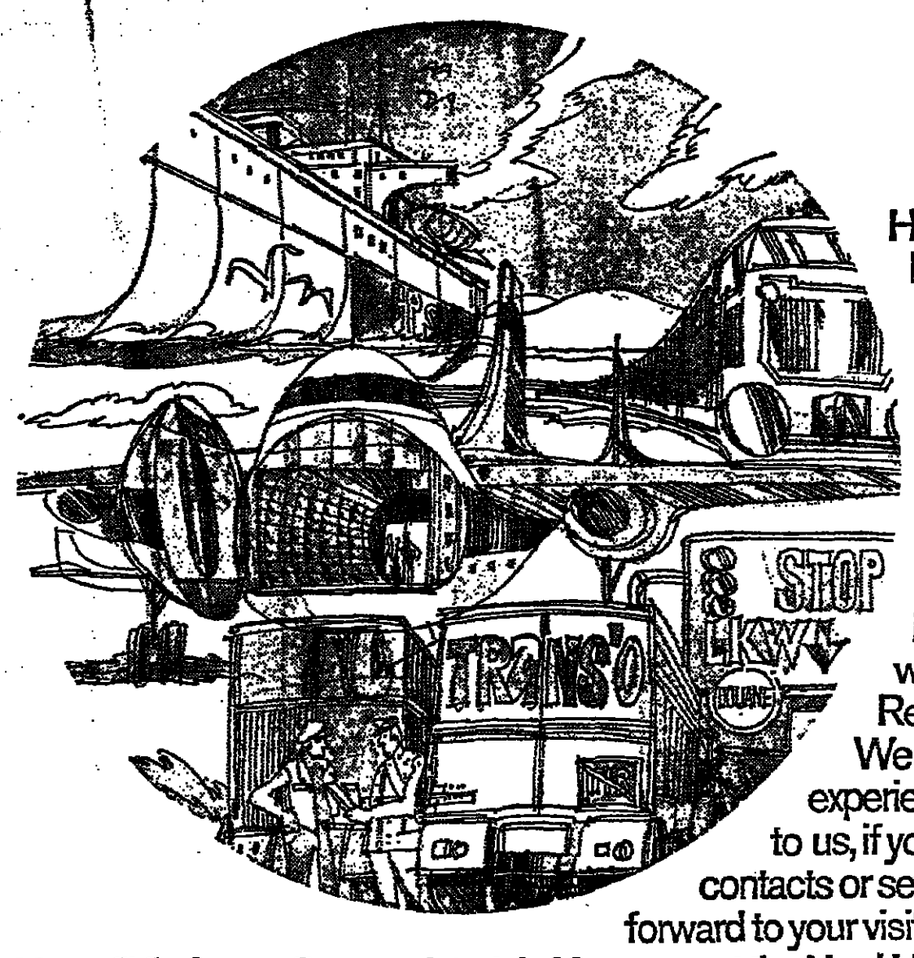
But the slide has not stopped. The only group of workers which is not declining is the foreign workers, the *gastarbeiters*, who tend to live in their own communities in their own areas. Close to 10 per cent of the population is made up of foreigners while the ethnic Germans are moving out or dying off.

Two multilingual signs a few yards from each other near the newly painted white wall in the workers' quarter of Kreuzberg are a poignant indication of West Berlin's troubles.

One is in English, French, German and Russian and warns: "You are now leaving the American sector." The other multilingual sign stands on a playground and lists the rules for the children playing there—most of whom are from Eastern Mediterranean countries.

Meeting Place Hannover

Meeting Place Nord LB



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An Affluent Country Works to Open Up Less Affluent Areas

By Douglas S. Bruce

BONN (IHT).—Almost 30 years after it was formally launched, the Marshall Plan is still helping the economic development of West Germany, then a vanquished devastated power but now the richest country in Europe.

The thrifty Germans have turned to good use the cash left under the Plan, launched by U.S. Secretary of State George C. Marshall in a speech at Harvard University on June 5, 1947. The American government's idea was to provide a major financial contribution to the rebuilding of shattered Europe after the Second World War.

The seven billion marks left to Germany under the Plan, officially known as the European Recovery Program (ERP), has been used to finance economic projects in the Western part of the divided country to more than five times this value—around 35 billion marks.

The fund, administered by the Bonn Economics Ministry, grants loans to firms at below-market interest rates. Its capital, currently about 15 billion marks, is not allowed by law to depreciate, but the financing of higher amounts of projects has been made possible by its "revolving" system under which repayments and interest rates are ploughed back into the coffers and are then relent.

ERP money is available for diverse purposes—including the financing of West German exports, technical modernization of the press, improvements to the environment, and aid to West Berlin including its film industry.

Some of it goes to the Third World, and to West Germany's rather more affluent equivalent —this country's poorer regions.

For West Germany has its own domestic "Development Aid" problem. Its regional development difficulties are less of a teaser than those of most other countries but they are still important enough to now warrant having more than 2.5 billion marks spent on them each year, about 500 million marks of this coming from the still flourishing remnants of the Marshall Plan.

"There is no doubt that West Germany's regional worries are less pressing than those which most other countries encounter, but they are certainly far from trivial," Dr. Wolfgang Albert, minister-counselor responsible for regional development at the Bonn Economics Ministry, said in an interview with the IHT.

"The fact that we are so highly developed economically brings its own problems since variations tend to be more accentuated, and people may move away from a region for reasons considered elsewhere to be minor. In any case, there's no point in telling people in less-affluent areas in the (West German) Federal Republic that they're better off than, say, the Irish or the southern Italians. They don't compare themselves with the Italians but with people in Frankfurt and Munich," he commented.

Jobless Rate

Economic and social variations, and the subsequent fluctuating standards of prosperity, are inevitable in a country the size of West Germany. The government's policy, centered on the ERP and the Gemeinschaftsaufgabe (joint task) program of the federal, state and local governments, is to try to iron these out a bit while acknowledging that uniformity is impossible.

These differences can be seen most clearly in unemployment, and in per capita incomes and production. The national jobless rate is currently around 4.8 per cent—yet this swings between two per cent and more than 18 per cent in the various regions.

A quick glance at government figures reveals the problem. In February, for instance, the unemployment rate in the metalworking and printing center of Stuttgart was 2 per cent. In the rural Bavarian town of Passau it was 18.3 per cent. Other striking examples of swings from the average were Reutlingen (2 per cent), Balingen (2.6 per cent), Frankfurt (3.2), Solingen (3.5), Deggendorf (16.9), Schwandorf (15.5), Weiden (12.6), Leer (13.8) and Saarbrücken (8.1 per cent).

In terms of whole regions, Lower Saxony and Bremen (considered as one employment area for administrative purposes) had a jobless quota of 6.2 per cent. Comparative figures were: Schleswig-Holstein and Hamburg, 5.7 per cent; North Rhine-Westphalia, 5.4 per cent; Rhineland-Palatinate and Saarland, 5.9 per cent; Hessen, 4.6 per cent; North Bavaria, 7.5 per cent; South Bavaria, 5.8 per cent; with Baden-Wuerttemberg considerably lower than any of them with an average of 3.2 per cent of its population out of work.

"In any case, there's no point in telling people in less-affluent areas in the Federal Republic that they're better off than, say, the Irish or the southern Italians. They don't compare themselves with the Italians but with people in Frankfurt and Munich."

Incentives

Since 1972, West German federal, state and local governments have spent more than seven billion marks in a bid to obtain a more balanced economy. Grants, loans and tax incentives are offered in varying amounts depending on the importance the governments attach to the development of a particular region. The divided city of Berlin, or rather the Western part of it, tops the list of priorities, followed by the frontier zone, a 1,300-mile strip of some of West Germany's most beautiful countryside which borders the Baltic Sea, East Germany and Czechoslovakia. Around one-fifth of West Germany's total population of about 62 million stay in this 25-mile-deep zone, in which unemployment is generally far higher and incomes much lower than the rest of the country. Communist-built walls and minefields which run along most of it bar access to commercial markets, disrupt communications and generally instill a climate of fear and mistrust not conducive to good business.

Apart from these two priority cases of the frontier zone and West Berlin, there are a series of other areas which have been officially classified since 1974 as Foerderungsgebiete (promotion areas), thus entitling employers active there to a variety of financial benefits under the Gemeinschaftsaufgabe and the ERP.

These two resources have financed about 50 billion marks' worth of investments over the past five years, creating or securing some 100,000 jobs a year in the process. The economic branches which have benefitted most from this regional development aid have been chemicals and petro-carbons, synthetics, mining, ceramics, iron and steel, electro-technology, leather and textiles, and hotels and catering.

Areas which qualify for aid from these funds should have actual or threatened above-average unemployment, below-average per-capita incomes or deficits in their local infrastructure. Firms with definite plans to bridge these gaps can then get financial assistance, including a grant of between 7.5 and 25 per cent of the sum to be invested, plus other incentives.

Interest Rates

Credits are available under the ERP, for instance, at the following favorable rates of interest: for West Berlin, 4.5 per cent; frontier zone, 5.5 per cent; for schemes considered as improving living or leisure conditions or the environment, 6 per cent; for other projects in the rest of the promotion regions, 6.5 per cent. Particular attention is paid to the needs of small and medium-sized companies, with foreign concerns subject to the same conditions as German ones.

Loans can be given for setting up new plants, bringing jobs to a structurally-weak area (for instance, one that is dominated by a single industry), switching locations, or even changing over to a more secure type of business—one that is more likely in the future to produce goods which people want.

About 4,000 projects, involving an average investment volume of two million marks, are now being promoted by the governments annually, according to Dr. Albert.

Government officials point out that around 21 million people, or one-third of the total West German population, live in these promotion regions. Among them are eight million workers. As more than seven billion marks have already been spent on these areas, this means that almost 1,000 marks have gone on safeguarding each and every job there.

Are these rosy statistics genuine? Are all these investments made only because the authorities are dangling the cash carrot in front of businessmen?

"We just don't know," Dr. Albert conceded. "There is no way for sure of ascertaining whether the enterprises involved would have put up all the money themselves if the incentives were not there.

"There is certainly a school of thought which says this is indeed the case. We call it the 'let's take it anyway' effect, and we planners can do nothing about it," he added.

Fruitful

Whether this is true or not, the government insists that its policies have borne fruit, since they have led to the creation of tens of thousands of jobs a year, and to the gradual erosion of per-capita gross domestic production differentials between the richer and poorer regions.

The average production of goods and services per head of population in West Germany in 1974 was 16,140 marks. In Ingolstadt, north of Munich, it was 20,830 marks, but in Cham—less than 100 miles away—it was just 8,980 marks. Wide though the gulf is, it was far worse before the advent of a concerted regional development policy. In 1970, Cham's production was only one-seventh that of Ingolstadt.

Other comparative figures tell a similar story. In two of the areas worst hit by unemployment, Aschendorf-Huemmling and Passau, the production per head in 1974 was 15,220 marks and 11,350 marks respectively. In two major industrial centers—Stuttgart and the Volkswagen base of Wolfsburg—it was 19,920 marks and 22,600 marks, according to the latest government statistics made available by the Economics Ministry. Much work has been done but much remains, officials agree.

A further boost is expected the government's investment gram, a package worth abo billion marks agreed by the eral Cabinet in March. scheme, to be run jointly b federal and state authoriti intended as a spur to the try's sluggish economy by im ing its infrastructure and, ticularly, by enlivening its struction industry. It will b gion-oriented—that is, more ey will be spent per head of lation on those areas which economically underdeveloped addition, the *Gemeinschaft gabe* fund will be stocked up an extra 500 million marks this program. The govern has stepped in three times i past three years with si though smaller conjunctural grams.

The Recession

The economic recession, still has some industrial s in its grip, hit regional dev ment policy particularly Economics Ministry officials The effect was twofold: was a steeper rise in unem ment in the promotion areas their industrial structure wa adapted to withstand the st posed by the recession; and was less money available t these regions' way. The mir records that only another jobs were provided in these last year compared with the average of 100,000.

Another accusation some levelled at regional planne that they are not really cu unemployment, simply spre it out more. "That is not We helped in the recession we help in normal times," Albert retorted. But he went "Of course, regional develop cannot solve everything on own. It has to be part of overall pattern."

The available incentives be a temptation to many b nessmen. Is the government concerned that it could be kno ed down in the rush if the pe became better known?

"I don't think so. Certai there is no lack of money on t but only a limited number of pr ects qualify for this type of h Creating 100,000 jobs a year very creditable performance we believe this can hardly increased," Dr. Albert conclu



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At all times, day and night, products of Berlin's economy go out to all parts of the world, e.g. cables from Siemens or Kaiser Aluminum. High-voltage lines or ground cables for better communications between Europe's cities mostly come from Berlin. For the Federal Republic, Berlin supplies every second copybook, every second light bulb and every second bottle of gin. In Puerto Rico and in the Shah of Iran's empire roll waggons by Orenstein & Koppel. Alaskan pipelines are controlled by ball valves from Borsig and everyone in the Netherlands uses a telephone made in Berlin. Since the Quadripartite agreement, a seal on a truck ensures speedy processing at the Border. For further informations, please, contact the Presse- und Informationsamt des Landes Berlin, Rathaus Schöneberg, 1000 Berlin 62.

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Trade Fairs, Large and Small, Offer Variety

By Cecil T. Brown

ANNOVER (IHT).—West German trade fairs, regarded as odel for many other coun-, survived the cold water of recession with barely a flinch. ne country's decentralized, i-interest fairs structure, far suffering a lack of interest irms were hit by falling or-, became a magnet as busi-men searched for new prod- and techniques to meet markets.

appearance at a consumer s fair was considered essen- only to keep the brand e of a firm before the buyers. for many smaller concerns. h were being forced to lay workers, fairs are the main opportunity of the year.

so much selling goes on pital goods fairs, but manu-rers considered it a must to epresented to keep up with techniques, for market re-h, to make contact with pos-cooperation partners, and, ly important, to keep an eye hat the competition was

the economy picks up again more interest is expected. four main fair centers are over, Cologne, Frankfurt Dusseldorf. The Hannover s by far the biggest, with million square meters to d stages the biggest gener-lustrial fair in the world.

Specialized Fairs

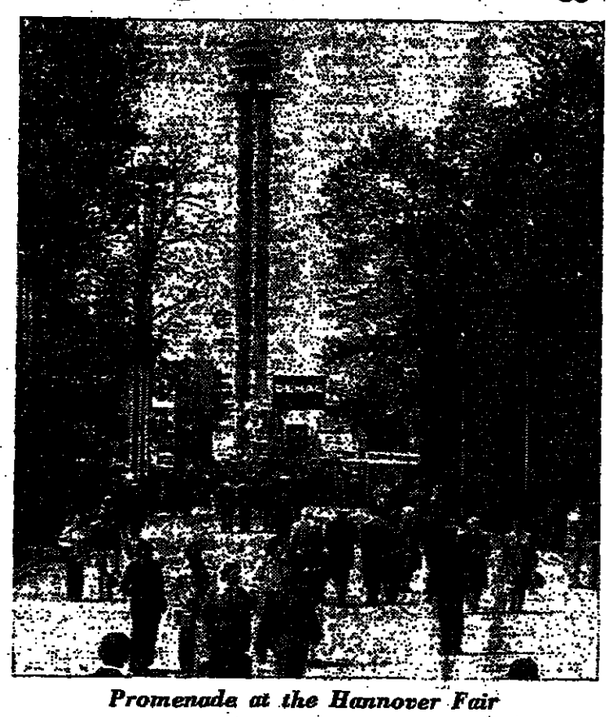
trend in the last 10 years been towards specialized, r fairs and away from the general exhibitions like the ver industrial fair, which visitors find is just too big r satisfactorily.

successful are single-fairs, like the photographic ent show in Cologne, the ational packing machinery Dusseldorf and Munich's shows and building ma-exhibitions.

e other industrial coun-here is no central point which the fairs' structure s—in France, for example, pulls the strings.

re the Second World War, the nation was split into nist and capitalist halves, rs center was at Leipzig. has now become the trade center of East Germany ne of the main showcases st-West trade.

e West there was strong



Promenade at the Hannover Fair

competition to take over the mantle of Leipzig. Hannover stepped in quickly and in 1947 staged its first fair. But it never really achieved the central role it hoped for and other important fairs were scattered around the country. The book fair, for example, was set up in Frankfurt, where it became a major international event.

Central Organizations

The central organization which promotes the country's fairs is the German Council of Trade Fairs and Exhibitions (AUMA). Based in Cologne, it is supported by all the West German fair organizers. Its main role is to provide information on facilities, charges and statistics to both foreign and German concerns.

Another body, the FKM, was founded 11 years ago as a kind of watchdog on fairs statistics. It assembles and publishes data which enables exhibitors and visitors to weigh up the real significance of each showplace, and discourages organizers from indulging in the hyperbole sometimes used to attract more people to their exhibitions.

The problems facing the organizers of the Hannover Fair are perhaps symptomatic of the general development of fairs in West Germany.

The eight-day industrial exhibition, starting on April 20, will be celebrating its 30th anniversary. It will be opened with due pomp by Federal President Walter Scheel.

Some 5,500 exhibitors from about 40 countries will have stands, with Britain maintaining the leading role it has held since joining the Common Market in 1973. The fair's two-volume catalogue weighs in at a hefty three pounds.

But despite this grand-scale presentation, all is not well in Hannover. In line with the trend towards smaller fairs, it is five per cent smaller than last year and the Hannover site organizers are in financial trouble. In 1976 their turnover was 93 million marks and they made a loss of between five and six million.

Although in this jubilee year a record 14 fairs on the site are expected to wipe out the loss, it seems doubtful the organizers can maintain the massive exhibition area in the coming years without losing their status as the only site not to be subsidized from public funds.

The fair, which annually attracts about 550,000 people—the same as the city's population—is gradually leaning toward specializing in more electronic goods. This year some 1,600 concerns will be showing electro-technology, from heavy industrial generators to tiny electronic components.

The centerpiece for the 30th anniversary year is a show of systems equipment, which has attracted about 550 exhibitors. The show of office and information technology is, as in other years, a big draw with nearly 650 exhibitors hoping for 100,000 professional visitors.

For the organizers, whose slogan is "The market is the world, the showplace is Hannover," the outcome of this year's show will be a crucial pointer to future policy.

The industrial fair in itself is clearly not sufficiently profitable to maintain the 25 permanent halls and vast open-air exhibition space, and other offerings on the site are comparatively small, including the "Interhospital 77" and "Pig and Chicken" fairs.

Munich

A more modest but more realistic fair center is the Bavarian capital of Munich. It has a site of some 320,000 square meters, about a quarter of it in permanent halls. The high points are the two fashion shows in spring and autumn.

Regular conference-goers prefer the less hectic atmosphere of the specialized exhibitions, particularly when they take place in a city which can easily absorb them. Munich is one of the country's major cities with a population of 1.3 million.

Hotel accommodation in and around the Munich area for the 40,000 buyers at the fashion show is obviously easier to arrange than to temporarily double the population of Hannover.

Also essential for staging a major international fair are good transport and communication facilities which the bigger cities like Cologne, Frankfurt and Düsseldorf all have.

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(Our 1976 Highlights)

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Net profit before taxation up 3%
Equity up 5%
of which
Declared reserves up 8.4%
Dividend 18%
Number of accounts up 6.6%

Figures from our Accounts for the Year:

(in DM million)	1976	1975
Deposits	4,125	3,753
Due to banks	685	630
Due from banks	1,000	871
Lendings	2,979	2,838
Equity	204	194
of which		
Capital 75		
Declared reserves 129		
Business volume	5,227	4,718
Net profit before taxation	41.8	40.6

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BERLIN (WEST) — A WONDERFUL PLACE TO LIVE AND INVEST IN



Mr. Wolfgang Lüder, Mayor of Berlin (West) and Senator for Economics.

Berlin is a throbbing great city of the world, which differs from other great cities "only" through its political situation.

Berlin had to assert itself after the Second World War under unimaginably difficult outside conditions. It was and is still today the people of Berlin's desire for freedom and self-determination, the willingness of the German) Federal Government to ive political and financial support this city and the concrete resolve the Western Allied powers here maintain and defend their original ghts, which has allowed Berlin, espite its division, to again become world city.

he political situation of Berlin is haracterized by its division and its eographic island status in the iddle of the GDR. The basis for erlin's security and ability to exist, s development and future, is built the guarantee of the Allied pow-rs, the Four Power Agreement of eptember 3, 1971, its relationship to e German Federal Republic's sys-m of law, commerce, finance and ontracts, as well as its relationship the European Economic Commu-ity. And not in the least is the clear ill of the people of Berlin to live in free and democratic society.

he Four Power Agreement has em-hatically improved Berlin's situa-on. Many who today criticize this greement have forgotten what, for ample, transit conditions were like efore the Four Power Agreement, e considerable improvements it as brought in human relations hrough travel and visiting possibil-ies to East Berlin and to the GDR, hich over three million West erliners have annually taken ad-antage of. When considering the ttempt of the Soviet Union and the GDR to interpret the Four Power Agreement unilaterally to their own advantage on all those questions where a political agreement could not be reached on all four sides, one thing is overlooked. That the Berlin Agreement contains practical rules for many areas which we all have reason to retain.

Next to the very important practical improvements, the Four Power Agreement has increased the security of the city. This is also true, despite the Soviet Union's and the GDR's repeated attempts to question the unchanged legal status of Greater-Berlin, as has more often happened recently.

Nevertheless, the postwar development of the city shows that the question of law has played a lesser part to that of power. The three attempts to change the fundamental basis of the situation of Berlin: The Blockade (1948 to 1949), the political offensive chiefly against the presence of the three Western Powers (1958 to 1962) and the political offensive against the presence of the (German) Federal Republic (since around the mid 60s), were not the results of legal political considerations but rather of power politics.

SEISMOGRAPH OF DETENTE

The insured rights of Berlin are not touched by such behavior. Also the Four Power Agreement has not changed the legal status of Greater-Berlin. It is a practical arrangement that has not brought a basic change to political and legal questions. In particular, it has nothing to do with the Berlin question, which, in any case, can only be solved in relationship to the entire German question. Therefore, the claim to realization of the right to self-determination in freedom remains untouched by this agreement.

In consideration of their different legal interpretations, the four powers have committed themselves to "mutually respect their individual and common rights and responsibilities, which remain unchanged"; and explicitly confirmed the continued validity of "the agreements and resolutions of the four powers from the war and postwar period." In this is also included the "protocol between the United States, Great Britain and the Soviet Union from September 12, 1944, over the occupied zones in Germany and the administration of the Greater Berlin area" in the changed edition from November 14, 1944, in that the "Berlin Area" is to be understood as "the Territory of Greater Berlin, as defined in the law of April 27, 1920." This cannot be changed by one-sided declarations. The Four Power Agreement and its strict observation and full use belong to the basis of a realistic peace and détente policy. Berlin is caught in the web of détente politics in Europe. Located directly between the different social systems, there is no other better place than here to comprehend the seriousness of détente policy and the efforts for a peaceful compromise. A step forward or backward in détente is registered here with seismographic accuracy. Berlin is the pulse for the measurement and willingness of the reduction of tension; since the relations between East and West can only be as good as the political situation in and around Berlin allows.

Security and freedom are the essential given conditions for the existence of Berlin. They are the basis for the political, commercial and psychic vitality of the city. Therefore, of particular importance is the acknowledgment of the growing bond between West Berlin and the German Federal Republic, which can still grow, as well as the acknowledgment through the Four Power Agreement of the relationship of the city to the legal, commercial, financial and contract system of the German Federal Republic and its social order. Also included in this is the continued existence of the uncontrolled air connections and the now safer and unhindered traffic on the land and waterways between West Berlin and the German Federal Republic.

No one in our city is inclined to lapse into Berlin hysteria. There is no reason to do so. Berlin not only takes part in the international and national life, but also gives its active contribution thereto. We know that this city needs peace for her continued development as a cultural metropolis and a center of industry, supraregional services, conferences, fairs and expositions as well as for science and research. In addition, it also needs in the future, to the same degree as before the Four Power Agreement, the liberal solidarity and active engagement in the city.

NOT WITHOUT ECONOMIC WORRIES

The future of Berlin depends essentially upon the development of its economy. Considering the island status of the city, it is 160 km. from the German Federal Republic and without connections to its natural surrounding countryside, there were and still are difficulties to be overcome. Here the economy of Berlin has made some noticeable achievements. Nevertheless, as in so many other cities of the Western world, Berlin is presently not without worries and problems. What, however, in other places is thought to be normal, has an effect in Berlin incomparably alarming, based upon its situation, which is not comparable to any other region.

In particular the falling number of job positions in Berlin's industries that has been a trend in recent years, gives headaches to all those responsible in politics and commerce. This regress is not alone to be traced back to cyclical causes that have been felt everywhere. They are to a great extent structural political causes, which must be opposed. To reverse or stop this regressive trend in the number of employed persons has the highest priority in Berlin's economic policy for the coming year.

Despite all this, West Berlin is still the biggest industrial city between Moscow and Paris.

Berlin is again intensively participating in the competition to attract new industries, which seemed for many years to be falling into oblivion. The political prerequisites for safe future investments are present, as have been shown, through the created political agreements. There is no justification to be reserved toward a more intensive participation in the commercial life of Berlin. On the contrary, the wide spectrum of business-promoting measures available still makes commercial activities in our city, objectively seen, particularly advantageous.

ENOUGH INDUSTRIAL SITES

Before I give a short sketch of this promotional catalog, I must set aside a prejudice. The prejudice: Berlin does not have enough land available to give to incoming industries. Naturally, anyone who looks at the island status of this city realizes that land for industrial development is not unlimited. The relative land shortage cannot be denied and presents actual difficulties for a satisfactory industrial development of Berlin. But we can guarantee that enough industrial sites are now available for incoming firms.

One thing we can claim with full authority. Nowhere in the German Federal Republic can be found such attractive conditions for a commercially profitable undertaking as in Berlin. To begin with, we offer as a special incentive for investments the possibility of special depreciations of up to 75 per cent in the year of investment and in the following fiscal year. In addition, for the provision and manufacture of movable assets and for the fabrication of factories, an investment incentive of between 10% and 30% is granted in cash from public funds. These incentives are a part of the Berlin Promotional Program, that also provides for a reduction of the added-value tax of from 4.5% to 6% according to the case at hand. In addition, a customer in the (German) Federal Republic has the possibility of reducing his added-value tax by 4.2%.

Particularly favorable are also the conditions for acquiring a loan for business investments and for building constructions in Berlin. These loans are available through the ERP (European Reconstruction Program) special fund. Berlin's banks have specialized in these loans.

All this, together with the recently approved 14-point program of the Berlin Senate to promote job slots, that also contains additional financial facilitations for firms willing to invest, shows Berlin has at its disposal a wide spectrum of given conditions with which its efforts to increase industrial investments and attract new industries are certain to succeed.

Research and development projects of the economy are also given special aid in Berlin. We already have a wide and efficient offering in the city of research and development projects. Our problem is to see that Berlin's research and development potential will be more widely used in the economy as in the past.

Still it is not only its industry that makes locating in Berlin economically interesting. The economic policy in and for Berlin is not only confined to the industrial area. We also devote our attention to increasing supraregional services. This comes from the realization that our city needs a balance between manufacturing and service industries for economic as well as for general city development reasons.

ICC BERLIN OPENS IN 1979

A central crucial point in the expansion of this field is seen in fairs, exhibitions and conferences. We already have today a wide range of important events on our modern exhibition ground around the radio tower: from the International Green Week to the Tourist Stock Market, from the overseas import fair "Partners of Progress" to the Radio Exhibition and the fashion fair "Interchic." The entire number of events, the amount of occupied floor space and the number of visitors to Berlin's exhibition grounds are without match, in any case for German comparison, and our city already ranks internationally today in 10th place in this field.

We would like to climb much higher up this ladder. That is why our main object of interest is the new International Conference Center (ICC). After its completion in April 1979, Berlin will have the possibility to carry through all sizes of business and scientific conferences in close coordination with exhibition. With the completion of this conference center the city will have created all that is necessary to maintain a leading position in international exhibitions and conferences.

Included in the function of our service industries is also the full exploitation of all the possibilities that Berlin offers in East-West trade and cooperation. Thereby I am not only thinking of traditional commercial transactions. We are aspiring much more to strengthening the ties of Berlin's economy (to the East) in the form of longtime, permanent and close economic cooperation. This includes the exchange with the GDR as well as the commercial transaction with Eastern Europe. A practical step in this direction has been achieved with the International Center for East-West Cooperation, that took up its work in the private business sector last year. We have reason to hope, that this cooperation center will consolidate and further expand the already existing function of Berlin as an intermediary for trade between East and West. Its function is to ease the opening of business relationships, particularly for small and medium size firms.

A LIVING METROPOLIS

Despite all our efforts in this area, the international trade of Berlin is still determined in the first instance as always through its integration with the West. Our membership in the EEC is and remains one of our most important political and economical cornerstones, while the EEC countries are favored partners for Berlin's exports. The increasing contacts, the growing trade on many levels is expressed through our continued growth in recent years along with the EEC. The importance of trade with the Community has further increased compared to the beginning of the 70s.

This summary of the political and economic situation of Berlin may be enough to show: This city is, despite clichés to the contrary, a living, commercially attractive metropolis in which it is worth living and where, in this I place great importance. It is worthwhile to invest for German as well as for foreign firms. Especially while we believe in the role and mission of our city, we also are convinced of her future and her international attraction.

Rethinking Training, Education to Meet Population Bulge

By Cecil T. Brown

BONN (IHT).—A wave is rolling through the West German educational system which will break on the shores of the economy in the 1980s.

The wave is a population bulge set to release a surge of school-leavers onto an already over-burdened labor market, hindering the government's efforts to eliminate a stubborn unemployment problem.

It will mean a need for thousands more apprenticeships and vocational training places as well as more space at universities and technical colleges. But there is already a shortage of training places and the colleges and universities are already bursting at the seams to accommodate all those who want to study the more popular subjects.

To cope with the present problem and prepare for the bulge, a new law has been introduced to encourage industry to create more training places, and higher education establishments are being urged to make more efficient use of their facilities to cope with the excess.

Chancellor Helmut Schmidt has made his own position clear on the priorities for education in this country. "The main (educational) commitment of the government continues to be the promotion of vocational training," he told parliament.

There is trend towards the practical rather than the academic in education, towards creating a more qualified workforce from the bottom up. Dr. Peter Glotz, secretary of state at the Education and Science Ministry put it this way: "There is nothing more negative for a society than an inadequately qualified and relatively immobile workforce."

In a recent interview Dr. Glotz went on: "The training system is not an autonomous structure within our society. It has to make due allowance for the concrete requirements of professional practice and the expected future demand for certain qualifications.

He may have had in mind the huge increase in the number of law students—from 5,500 in 1971 to 11,400 in 1976—while the demand for lawyers has made no such leap.

Figures issued by the Federal Labor Office illustrate the problem facing planners, in particular Education Minister Helmut Rohde.

This year there will be about 830,000 school-leavers. In 1983, at the peak of the surge, there will be 960,000. The extra numbers of young people will be competing for jobs at a time when the overall population structure will make it particularly hard for them to be assimilated.

Rising Workforce

For while the workforce has been declining since the high of 26.2 million in 1962, and now is about 24.5 million, by 1988 it is expected to have risen to 25.5 million.

So by the mid-1980s about two million new jobs will have to be created to cope with this and take up the slack of the present unemployed total, which is about 1,200,000.

As a basis for expanding the facilities for vocational training the government proposed at the end of last year setting up a fund jointly financed by the state and industry which would compensate those firms which spent money to provide training places.

It also set up a federal institute for vocational training as a reference point for the federal and state governments, private concerns and trade unions.

The number of training places offered by private concerns dropped sharply since the recession snapped at the funds they could make available for such projects.

The Federal Labor Office figures say that in 1973 there were 100,000 places registered with employment offices in excess of the demand. Last year there were about 19,000 vacant. The office fears there will be a shortage of 200,000 places by 1981.

Special Fund

West German industry leaders have fiercely attacked the government proposals to set up a special financing scheme, which they say will be just form of taxation. The plan is unnecessary and create the places anyw

A report by the federations in March that there would be abo places in excess of de year, that is the sam as in 1973. If these fig out to be right there need to establish the spe

As well as encoura dustries and the civil make more training pla able, the government increase the number of vocational training sch per cent in the next t It also wants gramm to teach more vocationa ed subjects, like busine technology and social

Other European cou are tending towards a c ment between higher s the real needs of the In France last year marched through the protest proposals to dustry a bigger say in university courses, an ministers called on institutions to take n of industrial and busi

Autonomous S

While the federal an Bonn have made a proposals for making cient use of university er education buildings ers, their sphere of severely restricted by autonomy of the state tional affairs.

Six of the 11 highl dent states are goverr parties which make u servative opposition in parliament in Bonn.

There are few plans the existing facilities is clear the extra de only be a passing pha 1990s there would be c of empty classrooms.

But several states a ning to realize they wi reorganize their instr cope with the fact that ent higher education p of 850,000 will grow to a million by the mid 19 one thing, the amoun search done by senior could well be reduced honrable gentlemen in do some teaching.

The Gastarbeiter: No Longer a Guest Worker

By Douglas S. Bruce

BONN (IHT).—West Germany's gastarbeiter (guest workers) are no longer just guests. They are here to stay.

It is this realization which has prevented a wave of protests breaking out over the presence of close on two million foreign workers at a time when the country has just gone through its third successive winter with more than one million jobless.

The gastarbeiter played a major role in West Germany's economic boom in the 1960s, but so many of them came here that the government closed down overseas offices recruiting them at the end of 1973. Since then their total has dropped by around 600,000.

Their number fell in 1975 for the first time since 1967, and last year the total fell more steeply than ever. Government figures show that last September there were around 3.9 million aliens in West Germany, 141,000 or 3.5 per cent less than a year before. About 1.9 million of these are estimated to be breadwinners and the remainder dependents.

Of the total, 27.5 per cent (or well over one million) are Turks, 16.3 per cent Yugoslavs, 14.5 per cent Italians, 9 per cent Greeks 5.6 per cent Spaniards and 4.3 per cent Austrians.

Relatives

The federal government is under pressure to introduce measures to limit the number of relatives entitled to join workers, but wants to stick to its present regulations under which spouses are free to come as they please as are children who have, however, no right to a job here.

According to Hermann Buschfort, parliamentary state secretary at the Bonn Labor Ministry, another 1.4 million dependents of West German gastarbeiter are still in their own countries. But the government does not expect any sudden further influx and points to the overall reduction in the total as proof that the peak of the problem has been reached.



The Gastarbeiter boom of the '60s has slowed down in the '70s

Gastarbeiter tend to congregate in urban areas where work is most plentiful. More than 80 per cent of them live in the more industrial parts of North Rhine-Westphalia, Hessen, Baden-Wuerttemberg and Bavaria, where they make up more than nine per cent of the population. They represent 17 per cent of the inhabitants in Munich, 16 per cent in Stuttgart, 14 per cent in Remscheid and 12 per cent in Mannheim, Neuss and Fuerth.

Fearing the creation of dangerous ghettos, the governments of more than 20 cities and towns have barred any more non-EEC foreigners from settling there.

The government's room for maneuver is restricted. It cannot stop anyone from another EEC country (like Italy) from settling and getting a job here, and there is no doubt that without the gastarbeiter many industrial sectors would die—the hotel and catering trade for one. According to I.G. Metall, around 600,000 foreigners work in the metal industry alone.

'Shocking'

Despite special government financial incentives, offered since 1974, the German work force is largely immobile, reluctant to move from an area where there is no work to a region where employment is available. Many foreigners do unpleasant jobs which Germans scorn.

About half the gastarbeiter have a legal right to stay in West Germany until the end of their days as they have been here at least five years.

The foreign workers themselves say less attention should be paid to sending them home and more to improving living conditions for those already here. A spokesman for the Turkish Workers' Congress, which met for the first time in Düsseldorf in late February, described living conditions of hundreds of thousands of his compatriots here as "shocking."

The committee said rents paid by Turks, unable to defend themselves properly because they did not have command of the German language, were on average 40 per cent higher than those of Germans. As many as 250,000 Turkish children did not complete a high school education, it said.

Mr. Buschfort warned in a recent newspaper interview that, "It is important that these children should be given the same educational opportunities as their German counterparts. Otherwise they will be pushed to the edge of society's spectrum as a minority which does not fit in. They could become a social powder keg."

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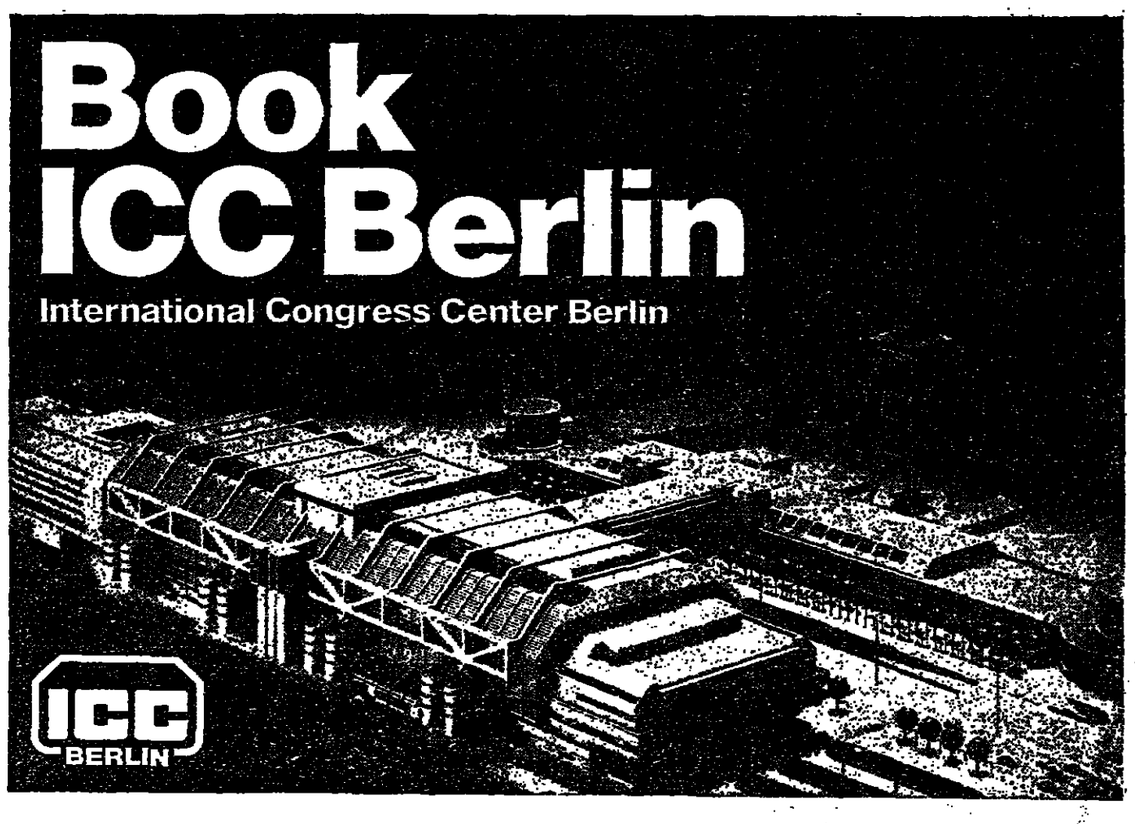
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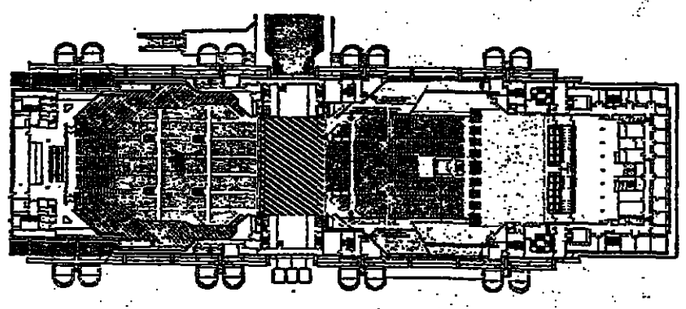
1977 Calender of Events

5/10 -5/19	Water Berlin '77
5/31 -6/4	26th German Congress for Further Education in Medicine 10th German Congress for Further Education in Dental Medicine International Pharmaceutical and Medico-Technical Exhibition
8/26 -9/4	International Radio and TV Exhibition 1977 Berl
9/21 -9/25	15th Overseas Import Fair "Partners for Progres
10/12-10/15	International Trade Fair and Congress Building Cleaning + Hygiene + Environmental Care Berlin 1977
10/12-10/15	büro-data Berlin 1977 Exhibition of the Office Industrie

(Excerpt)

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nions Baring Their Teeth on Wages, Unemployment, Representation

Douglas S. Bruce

(IHT).—West Germany a fine and largely reputation for the quality industrial relations, ntly the country's ver- he "social contract" has ung a bit frayed around s.

this year, trade unions ed through wage agree- hich many government consider excessive. Work- rs, concerned over con- igh unemployment, are more and more im- the authorities' appar- ility to do much about esult—unions have been eir teeth to show they just tame dogs on the nt's leash.

ermany has just gone ts third successive win- more than one million osing a considerable a Social Democratic- rnment whose power an important extent nized labor. True, the it has announced a 16- rk four-year program ove the country's in- e and provide more the unions wanted ey spent more quickly. xperts do not expect loyed total—1,084,229 in sink below a monthly 350,000 this year, and is dependent, in the e economists, on West attaining a real e in 1977 of five per thing which is by no ain.

yment is at the heart ns' grumblings against ment. This should be spective: many union members (often very ones) of the ruling ocratic party (SPD) criticisms are often re in sorrow than in

ions have also called of demonstrations the country on the Labor Day of May 1, tain to be dominated ployment problem. e this affinity, unions dicated their inten- e to the streets to t the government's policies, with the monstration sched- ulation on April 30. ns have also called a series of demonstrations throughout the country on the traditional Labor Day of May 1, protests certain to be dominated by the unemployment problem.

The chairman of West Germany's powerful central Trade Union Federation (Deutsche Gewerkschaftsbund or DGB), Heinz-Oskar Vetter, said last month that if a solution were not found to the overriding problem of unemployment "the social market economy might have to be put into question." This statement was widely interpreted as a warning from the DGB that its members could withhold their precious support from the government if Chancellor Helmut Schmidt and his ministers did not get the unemployment total down quickly. A similar attitude has been taken by metalworkers' leader Eugen Loderer.

Speaking to the Foreign Press Association in Bonn on March 29, Mr. Vetter warned of the danger of a "loss of trust" in government if the unemployment situation did not show a marked improvement.

Rhetorical Question

The unions had told their members last year, as an inducement to keep wage demands moderate, that the situation on the job market would improve in 1977. "What can we tell them now when the position is, if anything, worse than it was a year before?" he asked rhetorically.

The attainment of a 5-percent real growth rate would suffice only to keep unemployment at its present level and not do anything to trim it, Mr. Vetter said. Talk of more than two million being out of work within the next few years was not pure fantasy, he added.

Mr. Vetter came up with another suggestion which proved controversial. In January he put forward the idea that the unions might be willing to accept a cut in working hours without extra pay for the time lost, thus providing an extra quota of jobs.

Experts at the Federal Labor Agency in Nuremberg calculated that, theoretically at least, a reduction of just one hour in everyone's working week would create 650,000 new jobs in West Germany. Supporters of Mr. Vetter's tentative suggestion pointed out that it is now more than 140 years since British social reformer Robert Owen first put forward the concept of an eight-hour maximum working day, and that it is high time for a further reduction.

Individual unions, however, were hostile to the DGB leader's idea and Mr. Vetter went on to say that he had only really intended to open the subject for public debate.

But it is a good indication of the seriousness of the problems that the No. 1 trade unionist in the land was even prepared to contemplate the possibility of helping big business by agreeing to a hold-down on wages and a reduction in working hours.

Certainly, Federal Labor Agency President Josef Stingl is under no illusions about the task which faces the country. "We need an extra two million jobs by 1980 if we are to deal with current unemployment and find places for newcomers to the job market," he said. West Germany's largest union, the 2.58-million-member metalworkers' association I.G. Metall, puts the figure at three million.

There are other reasons for the DGB's jaded affection for the government. After all, the present administration has been in power since the end of 1968 and the unions are perhaps feeling the "seven-year itch" of dealing with a government which has not lived up to all its promises. There is a strong element of frustration in play too, for the Social Democrats can do little without the cooperation of their small coalition partners, the liberal Free Democrats (FDP), who now have strong links with industry.

The unions' rising militancy is only relative—in almost any other Western industrialized country it would be considered mild—but it is still significant. It could be spotted as early as last year when 169,000 German workers struck, compared with just 38,000 in 1975. This figure was swollen by a national printers' strike which ended last May after disrupting newspaper production for a fortnight.

The fact that this strike has been West Germany's worst industrial dispute in the past three years speaks for itself. Strikes in this country of generally affluent workers are the exception rather than the rule and are usually staged as a bargaining lever during or shortly before the annual rounds of wage bargaining in the spring.

This year there has been a series of warning strikes, notably in the metalworking and public transport sectors, in support of wage demands. But industrial observers often gain the impression that these walk-outs, galling though they may be to people like city commuters who are inconvenienced, are mere shadow boxing.

The wage negotiations themselves usually follow a set, predictable pattern. One union official summed it up like this: "They (the employers) come to the conference room with an offer they know we won't accept, we go in with demands we know they can't possibly tolerate, and we all know that sooner or later we'll settle for something in the middle."

Both employers and trade unionists praise this policy of cooperation which has generally existed between them since the foundation of the modern West German state in 1949. But this concept of sweet reason has come under strong pressure in the past couple of months with unions having held out for wage rises considerably higher than West Germany's rate of inflation, currently about four per cent. It is small wonder, therefore, that workers deliberately avoid insisting on wage rises being indexed to the cost of living—an industrial relations pitfall in countries with greater inflation.

Agreements

Although West Germany has remained largely aloof from the wave of strikes which started hitting several other West European countries like Belgium and the Netherlands in February, peace was bought at the price of wage settlements generally considered by employers and labor officials as being excessive.

The metalworkers set the pace in January and February with agreements on wage rises of just under seven per cent plus fringe benefits which took their overall income increase well over the eight-per-cent mark. The country's 1.9 million public servants put forward similar demands but government officials breathed sighs of relief when they settled in March for increases of 5.3 per cent plus a holiday cash bonus of 150 marks and other payments —a package worth an extra 6.3 per cent. The public employees, who were behind West Germany's last biggest strike in 1974, got a less friendly reception since it was pointed out that they had near-complete job security and a pile of fringe benefits like cheaper insurance and, often, cut-price travel.

Wage accords in West Germany are carried out by and large on a regional basis so they can take account of varying local conditions. In effect, the difference between them is negligible.

Government ministers have expressed concern at the level of settlements reached so far this year. They say they realize that under last year's tariff agreements the unions achieved no real growth in their incomes—although wages have still outstripped the cost of living for the past six years. However, some officials contend that this year's increases, which are expected to be in the same order as those obtained by the metalworkers and public employees, could act as a drag on the country's economic upswing, which would probably have been lower this year than earlier anticipated, even if the wage rises had been less generous. The officials say the agreements—some other unions were demanding income boosts of well over 10 per cent —will trim business profits and help keep unemployment high.

These divergences between employers, unions and government, however, should be seen against the broad background of their relations. "There is no doubt that the ability of the social partners to get on fairly well with each other is a prime reason for West Germany's good economic health," a senior DGB official said. Union, employers' and government leaders regularly get together for consultation sessions known as the "concerted action" and develop close personal contacts as a result.

An important aid to good industrial relations is that the unions are organized on a central basis. More than 7.4 million of West Germany's nine million union members are grouped in the DGB, which has its headquarters in Düsseldorf. So it can deal with the government and/or employers as more or less the the recognized voice of organized labor. Secondly, and more important from the practical point of view, affiliated to the DGB are 16 national unions, each covering just one major section of the economy. So employers are not confronted, as they are for instance in Britain, with a myriad of competing unions in the same branch. "The British system seems pointless to us. We prefer to deal with one universally recognized union at a time instead of with disparate groups which might try to outdo each other in the radical nature of their demands." Dr. Peter Knevel, manager of West Germany's central Employers' Federation (BDA), said.

The DGB, which has just announced a growth of 35,100 in its membership over the past year, is also not so hard-line that it spurns the capitalist path. The federation and its affiliated unions own a bank, an insurance company, a tourist agency, West Germany's largest house construction society, a publishing house and other concerns, and is planning to expand its business operations.

There is another good reason why the unions should not want to rock the economic boat: they are directly involved in many aspects of running companies through West Germany's pioneering system of *Mitbestimmung* (co-determination).

This system, which has been studied and even partially copied in several other European countries, is in the process of being extended. By July 1978 all firms with more than 2,000 employees —about 650 in all, including such household names as Ford, General Motors, Exxon, Texaco, Grundig and Daimler-Benz—will be bound by a new law to have on their supervisory boards an equal number of representatives of labor and capital.

These supervisory boards form the upper layer of West Germany's two-tier company management structure involved with overall policy planning and the approval of major investments. The other, managerial, board looks after the day-to-day running of the firm.

The new *Mitbestimmung* law, with which firms have been given two years to comply, has been described by the Social Democrats as the most important piece of social legislation which they have put through parliament. The bill's birth was not easy—it was a child of compromise, spawned by several years haggling between the main parties.

The unions claim to be peeved because the system does not in effect grant them complete parity with employers. The supervisory board chairman, who has the casting vote, is elected by the whole board. If he does not get a two-thirds majority, the shareholders' choice gets the nomination. "It is a case of heads you win, tails we lose," one disgruntled union official brooded.

In addition, one of the staff representatives must be a top employee (*leitender Angestellter*) elected by white-collar workers. This, say the unions, further weights the balance in favor of the bosses since this delegate could be expected to side with the management in an argument, if he is not already their "Trojan horse."

Employers and government ministers have pointed out that if there were complete parity in the boardroom the entire existing free enterprise system would be turned on its head, and that the existing scheme is as far as anyone could logically go. Moves by shareholders to get *Mitbestimmung* declared illegal were thrown out by the supreme court in January.

The unions have a not-so-minor consolation. They stand, in fact, to be the biggest gainers from the new system since they will have the job of nominating the vast majority of worker representatives who will join the boards —and get fees for it. According to I.G. Metall, up to 1,500 trade unionists could move on to boards in the metal industry alone.

WORK-DAYS LOST THROUGH STRIKES IN EEC COUNTRIES

INTERNATIONAL COMPARISON OF DAYS LOST PER 1,000 WORKERS THROUGH STRIKES OR OTHER INDUSTRIAL DISPUTES:

	1975	FIRST HALF OF 1976
WEST GERMANY	3	19
BELGIUM	196	153 (OVER 5 MONTHS)
DENMARK	53	NOT AVAILABLE
FRANCE	209	177
BRITAIN	262	70
IRISH REPUBLIC	406	NOT AVAILABLE
ITALY	1,668	882 (OVER 5 MONTHS)
NETHERLANDS	0.1	0.0

*USING 1975 TOTALS OF EMPLOYEES
SOURCE: WEST GERMAN PRESS AND INFORMATION OFFICE, FEBRUARY 1977; QUOTING ESTIMATES MADE BY EUROPEAN ECONOMIC COMMUNITY, BRUSSELS.

"THE MELTING POT" - FOREIGNERS IN WEST GERMANY

THE MAIN NATIONALITIES REPRESENTED AMONG WEST GERMANY'S ALIEN POPULATION OF AROUND 3.9 MILLION AT THE END OF SEPTEMBER 1976:

	PER CENT	TOTAL
TURKS	27.5	1,079,300
YUGOSLAVS	16.3	640,400
ITALIANS	14.5	568,000
GREEKS	9.0	353,700
SPANIARDS	5.6	219,400
AUSTRIANS	4.3	169,200

SOURCE: WEST GERMAN GOVERNMENT PRESS AND INFORMATION OFFICE, JANUARY 1977.

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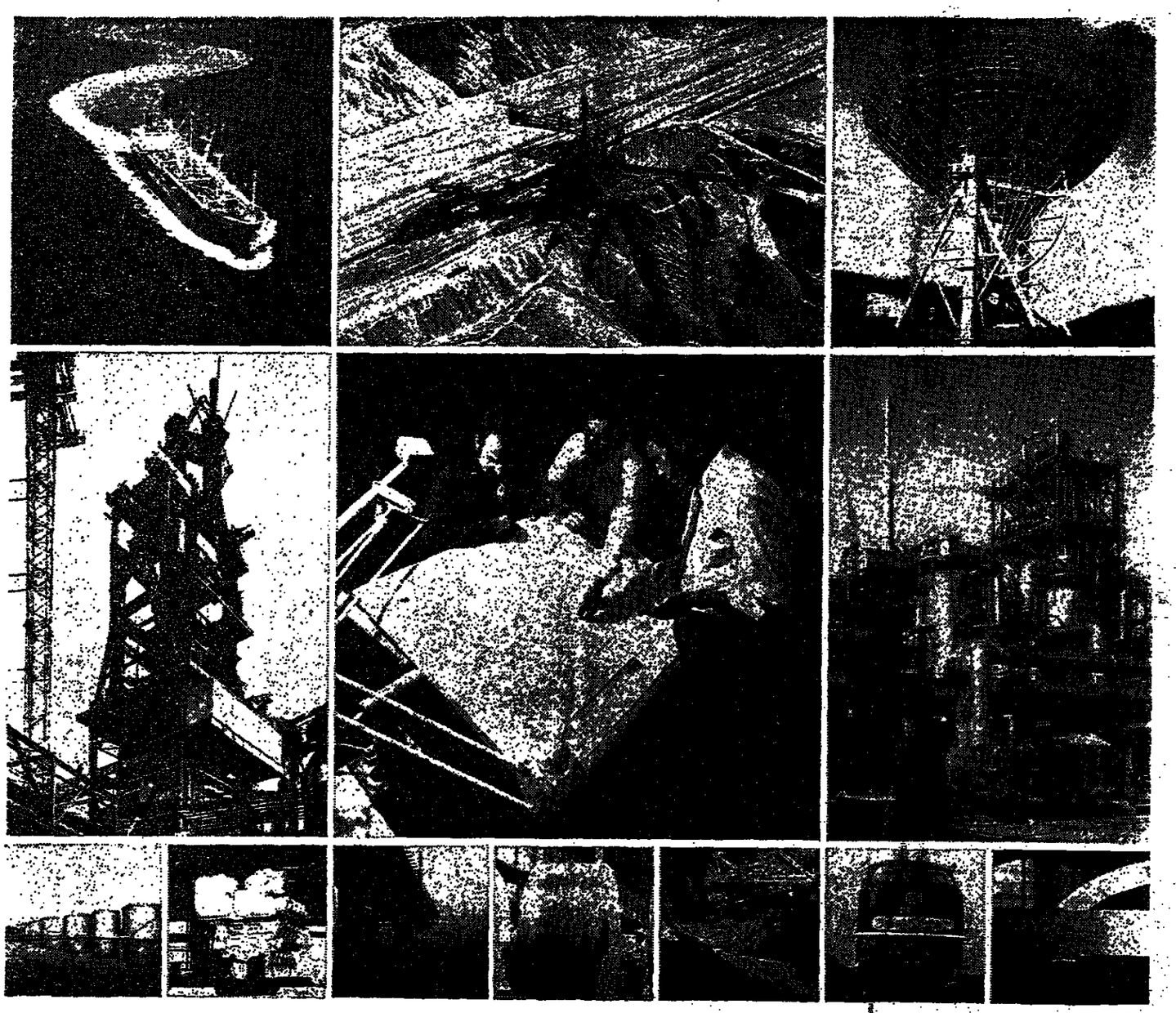
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PART TWO

INTERNATIONAL Herald Tribune
Published with The New York Times and The Washington Post
PARIS, APRIL 1977

Page 15

FOCUS ON WEST GERMANY, 1977

The Economy: Mood Optimistic, but Subdued

But Scale Is Down

Government Is Still Counting on A-Power

By Andrew Hargrave

NN (IHT). — After a great deal of speculation in public private, the federal govern- has reaffirmed its confi- e in nuclear power as a supplier of energy in the and '80s. It is true that tatement of energy targets March 23 shows a further g down compared with the evision of aims in the after- of the Middle East war, e autumn of 1974. Both volume and share of nu- power within the total supply are reduced: but is the government merely wledges the already evident in the nuclear power sta- rogram and the anticipated growth in the economy consequently energy de- —between now and 1985.

while not altogether g the issue, the govern- seems to have taken little t in its plans of the dem- tions and other forms of against nuclear—and, in- coal-fired—power stations. ating in administrative orders halting the con- ion of three nuclear sta- and postponing the start arge coal-fired one. On the hand, growing environ- l resistance has forced the ment to spell out in some and with considerable em- the consequences of fur- ies in and obstacles to, plementation of the nu- wer program in terms of rising energy costs, power d dim-outs and, more y and damagingly, the disastrous effect on the economy and employment as a whole.

In its statement the government also warns that neither further savings nor new forms of energy can contribute significantly to avoiding the threatening "energy gap" sometime in the 1980s if the nuclear electricity plans are delayed, scaled down or altogether scuttled. Indeed, the plans already make allowance for energy savings through heat conservation in buildings and factories, better utilization of waste heat, extension of the existing district heating systems as well as fiscal measures and the price mechanism itself.

Slower Demand

What it amounts to is that the government no longer expects the increase in energy demand to keep pace with the overall growth of the economy on a one-for-one basis. Over the period 1975-1985, energy demand is expected to grow by only factor 0.9 for every one-per-cent growth in the economy: by only factor 0.7 in the second half of that period; and by 0.6 in the period 1985-1990. The rise in electricity consumption which by 1985 is expected to account for about 35 per cent of total primary energy demand should also be slower in relation to general economic growth than at present.

The government bases its energy estimates on an annual growth of four per cent in the economy over the period 1975-85

(Continued on Page 24.)

By George Lanham

BONN (IHT).—Subdued optimism is the mood among analysts of the West German economic situation. The basic feeling is certainly optimistic, springing from expectations of continued economic growth, expanded trade, price stability and perhaps reduced unemployment.

But this optimism is with equal certainty subdued. It has become fashionable once again for foreign commentators to dwell on the German's "brooding" mentality and to accuse one of the world's healthiest industrial countries of debilitating introspection if the enthusiasm of Germans for their economic prospects does not seem to match that of others.

In point of fact, Germans have something to brood about. Unemployment remained over 1 million for the third winter in a row. Industry is operating at 80 per cent capacity and growth this year is not likely to bring production capacity into full use —meaning a lack of significant expansion will continue to depress capital spending levels. And despite the patching up of major crises, Germany must continue to look with concern at political and economic developments in its major European trading partners.

Government officials chant their refrain—"The economic situation is better than the mood" —at every opportunity and even the normally dour Bundesbank is heard to murmur a hearty word of encouragement, but businessmen continue to "brood" and look for cheap American companies to buy.

Growth a Priority

These same government officials also are careful to make clear that stable growth, rather than a temporary upswing artificially spurred by government deficit spending measures, has top priority. But continued pressure from abroad and the haunting level of unemployment prompted the government to expand a "standby" program of infrastructure investment into a four-year, 16-billion-mark spending program that should pump 3.5 billion marks of deficit government spending into the economy this year.

Welcome as the effect of the program might be, though, the manner of its development and the difficulties along the way reinforced the image of the federal government as losing its grip on the political and economic direction of the country. Originally announced in December as a 12-billion-mark medium-term program to be implemented if necessary, it grew to the 16-billion-mark level by the time of its Cabinet approval in March. Even then, however, its future was not certain as two of the major states—Bavaria and Baden-Württemberg—equivocated about their part of the 3.4 billion marks to be supplied by state governments over the life of the program.

Presuming the plan comes into effect this spring as planned, its sloppy birth passes too well to a government weakened by an embarrassing turnaround in the matter of pension increases, coalition disagreement over the tax package, inability to cope with a profoundly unsettling citizens' lobby against nuclear energy and the breach of trust resulting from two controversial bugging affairs. It is not surprising, then, that the government's exhortations fall on unbelieving ears and that the mood is not as good as the government wishes it were.

GNP

The contrast between mood and prospects is reflected in the range of forecasts for German economic growth this year. The government says 1976's real GNP growth of 5.6 per cent should be followed this year with a real growth of five per cent. A less sanguine prognosis comes from the IFO Economic Research Institute, which puts real growth at 4.5 per cent—presuming the government investment program is implemented on schedule. Major bank forecasts are even a notch lower and look for four per cent growth only.

The OECD thinks weak demand at home and abroad will mean only a 3.5-per-cent growth and one private newsletter in Germany is banking on only 3.3 per cent.

This sharp difference of opinion applies to a lesser extent to unemployment projections. Following an average unemployment of 4.6 per cent or just over 1 million persons in 1976, the government sees unemployment this year averaging 850,000, or 3.8 per cent. Others, like IFO, say 950,000 or 4.3 per cent is much likelier.

Winter brought a sharp jump in unemployment, to 4.8 per cent in December from 4.3 per cent in November, and then to a startling 5.5 per cent in January. This was still down from the previous January's recession-influenced peak of 5.9 per cent. These figures are disturbing for a nation accustomed to practically full employment. Through the 1960s, unemployment was under 2 per cent.

Unemployment fell to 5.3 per cent in February and again to 4.8 per cent in March. But this still meant more than 1 million jobless and Federal Labor Institute President Josef Stingl says the improvement does not necessarily come from any economic upswing but may just be seasonal.

Unemployment

Several independent surveys of hiring plans indicate that there will not be any surge in hiring this year, especially in industry. The phrase "structural unemployment" has gained currency in Bonn, and government officials repeat that higher than normal levels of unemployment are the price of stability—which they defend as the best safeguard against even higher unemployment.

Last November, though, the government approved a 430-million-mark program to help those out of work longer than six months to relocate or retrain. In January, a government-appointed commission on economic and social change recommended a long-range program to secure full employment. The commission agreed that fighting inflation was important, but it should not be seen as an end in itself at the expense of primary goals of growth, jobs and proper income distribution. Shortly afterwards, the government began leaking details of its expanded investment program.

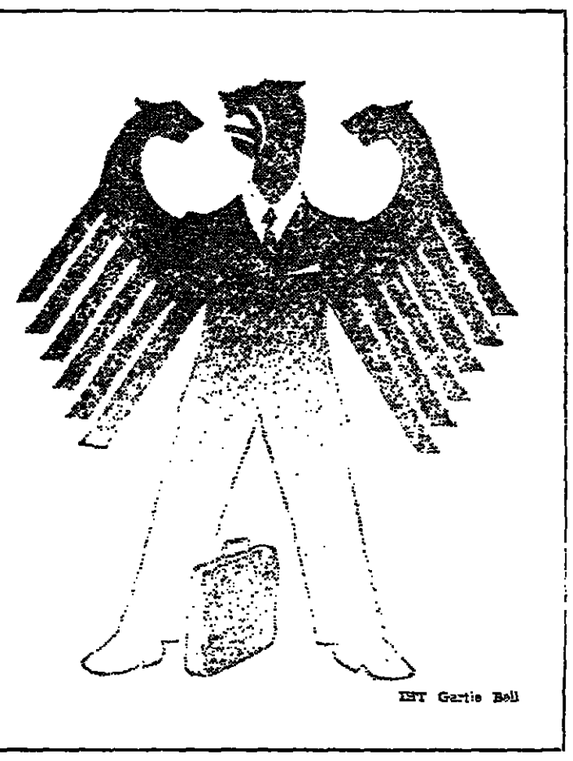
Stability means primarily price

(Continued on Page 17.)

THE 20 LARGEST CLIENTS EXPORTS FOB

ACCORDING TO EXPORT VALUES IN 1976*	1975 MILL. DM	%	1976 MILL. DM	%
1. FRANCE (1)	25,962	11.7	33,629	13.1
2. NETHERLANDS (2)	22,192	10.0	24,845	9.7
3. BENELUX (3)	16,866	7.6	20,197	7.9
4. ITALY (4)	16,190	7.3	18,998	7.4
5. UNITED STATES (5)	13,146	5.9	14,413	5.6
6. AUSTRIA (7)	9,824	4.4	12,492	4.9
7. GREAT BRITAIN (6)	10,095	4.6	12,187	4.8
8. SWITZERLAND (8)	9,568	4.3	11,404	4.5
9. SWEDEN (9)	8,098	3.7	9,028	3.5
10. SOVIET UNION (10)	6,948	3.1	6,755	2.6
11. DENMARK (12)	4,635	2.2	6,646	2.6
12. IRAN (11)	5,192	2.3	5,758	2.2
13. SPAIN (14)	3,765	1.7	4,336	1.7
14. YUGOSLAVIA (13)	4,461	2.0	3,961	1.5
15. NORWAY (15)	3,489	1.6	3,956	1.5
16. POLAND (17)	3,213	1.4	3,219	1.3
17. U. OF SO. AFRICA (16)	3,390	1.5	3,149	1.2
18. SAUDI ARABIA (–)	1,396	0.6	2,983	1.2
19. JAPAN (–)	2,350	1.1	2,797	1.1
20. BRASIL (18)	2,947	1.3	2,737	1.1
TOTAL OF 20 LARGEST CLIENTS	173,727	78.2	203,490	79.4

*IN BRACKETS: RANK IN PREVIOUS YEAR



IHT Gertis Bell

rade With East Bloc Is Causing Some Concern

r John Dornberg

CH (IHT).—It was a ing day in 1963, Konrad r, then in his last few as West Germany's chan- as listening skeptically to d, Hermann J. Abs, then tirman of the powerful e Bank.

the two had in common, ancestral roots in the d and a way of express- r views in unmistakable dialect, was that one was d and crafty a banker as r was a politician.

e, so the story goes, had dicated a rather substan- for the Soviet Union and nestly trying to reassure nauer that the Russians , as the crusty old chan- ept insisting, "unreliable and notoriously slow at nt."

' said Mr. Adenauer, still ued after listening to Mr. iscourse on the Russians' d credit rating, "perhaps ght. But I hope for you ur bank that you've r better debtors too."

en years later, after hav- lerwritten nearly one- the Communist world's ng international debt, ted to be around $40 bil- conversation between and Mr. Adenauer is ack to haunt West Ger- ers.

mmunist Debts

ot that they have lost e in the Soviet Union st European allies. And there have been no other than persistent and speculation — w h y id.

scope of the debt, and e the speed with which n accumulating during three years, re causing

n the debt, coupled whiplash of the West- ion that is now sweep- Soviet bloc, has had a d effect on West Ger- united trade with the world.

volume, of course, that ll growing and is like- inue to grow. And the epublic remains solid- shed as the principal ading partner of nearly mmunist countries.

tradition and sheer al proximity have a lot that. Eastern Europe, s and Russia have al- predominantly Ger- ts. It was as long ago example, that Werner ns began building the ussian Telegraph Line Petersburg to Odessa, and in 1855 the Siemens Corporation already had a sprawling branch plant in St. Petersburg with several hundred employees.

By 1938 trade with the East represented 18 per cent of Germany's total.

Today, of course, despite West Germany's pioneering role in the realm of East-West trade, it is nowhere close to that, amounting to only six per cent of the Federal Republic's global trade total.

Know-How

Nonetheless, the two-way volume in 1976 came to a staggering DM 28.4 billion—a figure that does not even include East Germany, which falls into the category of "inter-German" domestic trade, or Yugoslavia. By adding those two, it amounted to more than DM 42 billion.

More than any other industrialized country, West Germany today is supplying the Communist world with sophisticated machinery and technological know-how, with ships and trucks, with breweries and food plants, with consumer goods and turn-key factories, with modern steel and chemical plants and, in the not-too-distant future if a planned deal with Romania comes off, perhaps even with passenger jets.

In exchange it is getting oil, gas and other raw materials, relatively cheap labor through a number of cooperative ventures, and despite the inherent risks and complexities of dealing with rigidly planned and hyper-bureaucratic economies, West Germany is making money.

But the golden days when East-West trade was increasing by two-digit percentage figures annually—a spectacular 380 per cent alone with the Soviet Union during the period from 1971 to 1975—appear to be over.

At least for a while.

Last year's increase—9 per cent over 1975—was the second lowest in nearly a decade and a statistical molehill compared to a bumper year such as 1974 when a 40-per-cent rise was recorded.

Dramatic Changes

But even more significantly, the pattern of the trade changed dramatically during the past year.

Whereas the volume of exports to the Communist countries remained virtually stagnant in 1976—an increase of only DM 12 million, tantamount to a mere one-tenth of one per cent—West German imports from the bloc, primarily raw materials and semi-finished goods, rose by more than DM 2.3 billion, or approximately 27 per cent.

The Soviet Union and Poland accounted for more than half the amount—DM 1.6 billion; Yugoslavia for another DM 400 million.

Exports, on the other hand, grew substantially to only two countries: Czechoslovakia, which bought DM 350 million, or 20 per cent more West German goods last year than in 1975, and China, whose purchases rose by almost DM 300 million, or 22 per cent.

Although West German exports to the Communist area still exceeded imports by almost DM 6.5 billion, for the first time in nearly two decades East-West trade began showing some signs of balance in 1976.

Even trade with East Germany, whose exports to the Federal Republic rose by 15 per cent, was almost in balance. For the first time in many years the G.D.R. made almost no use of the DM 800 million annual, no-interest "swing" credit to which it is entitled under the terms of the inter-German trade agreement.

More Complex

What those statistics signify is that the West Germans have discovered that their trade with the East is becoming a more complex matter—politically, diplomatically and economically—than in the late 1950s and early sixties when such pioneers in the field as Krupp's Berthold Beitz and Otto Wolff von Amerongen first raised the vistas of an export bonanza.

In those days West German trade with the Communist countries was cloaked in an aura of skepticism and disrepute. There was something about it that seemed daring, promising and innovating, but also onerous, sinister and risky.

While some foreign observers hinted darkly at a new German Drang nach Osten, others expressed the fear that it could eventually throw the Federal Republic into the clutches of the

(Continued on Page 16.)

A Growing Trend

The Big Emphasis Is on Universal Banking

By George Lanham

FRANKFURT (IHT).—The Universal Bank. The title has something of a global ring to it. It suggests a credit institute that can provide any type of financial service to any type of customer. And this is exactly what it means to the big West German banks who both at home and abroad boldly champion their traditional system joining deposit and investment banking.

Increasingly for the German banks, universal means also providing all of this service anywhere—or rather, everywhere. The growing strength of the Deutsche mark and the evolution of a two-tier industrial world—the United States, Japan and West Germany on one tier and the rest of the Western developed world on another—has encouraged the German banks to follow the lead of the Americans and look to markets abroad to continue their expansion. In 1976, the Germans strengthened their U.S. presence and moved into Asia in a big way.

Universal also means more and more that everybody wants to get into the act. Savings banks and cooperatives, which used to contentedly take in savings deposits and make home loans, have reacted to encroachments from the big commercial banks by getting more into industrial credits while their central institutions are taking on the traditional international banks abroad. Lines are further blurred by the tendency of bigger regional banks not to stick to their regions but expand more into other parts of the country and likewise abroad.

Portion of Pie

The slight change in market shares between the various types of banks obscures a fundamental realignment in customers that accompanies the crumbling of traditional divisions. Nor should it be forgotten that while the proportion of the pie for each group might change, everyone's portion is getting bigger because the pie is growing, too.

Bundesbank statistics show that the business volume (total assets plus letters of credit and guarantees) of all German credit institutes grew more than 50 per cent in five years, to 1.596 trillion (thousand billion) marks at the end of 1976 from 924 billion marks at the end of 1971.

Market share is a little trickier. Commerzbank measured according to assets for banks involved in the general range of banking business shows that the savings bank sector had increased its market share to 40 per cent by mid-1976 compared with 26 per cent in 1960, the cooperative banking sector rose to 13.5 per cent from 8.4 per cent, while the big three "Grossbanken" declined to 9.8 per cent from 11.4 per cent (the remaining market belongs to other private banks and to specialized credit institutes).

Most of the savings bank sector increases came in the 10 state central institutions, the Landesbank-Girozentrales, which function as a bank for the state government and liquidity managers for the savings banks in their states. These increased their market share to 16.9 per cent from 13.5 per cent. The decline in the Grossbank sector was paralleled by a decline to 1.7 per cent market share for private banking houses, from 2.5 per cent.

'Bank Power'

It was of course the heady growth and bandwagon mentality of the early 1970s that led to the shattering collapse of the Herstatt banking house in 1974. The collapse of the bank through foreign exchange speculation produced a tighter banking law in Germany and better deposit insurance but left the lingering suspicion here and elsewhere that maybe universal banking is not for everybody.

Meanwhile, the current German examination of "bank power" that occasionally erupts into agitated discussion did so once again when the Monopolies Commission, an independent, government-appointed panel, produced its initial report, recommending among other things that bank participation in non-banking companies be limited to 25 per cent. This non-bank participation and other influence the banks have over German industry are curiously and confusedly get jumbled together in discussing the pros and cons of the universal bank. But this facet of bank power is essentially connected to bank "universality."

There is an almost universal agreement among bankers that the combination of credit business and underwriting under one roof is beneficial both for the

(Continued on Page 22.)

An Interview With Hans Friderichs

By Thomas C. Lucey

"One thing we do not want is an artificial, quick-but-not-lasting policy of expansion with an inevitably following inflation."

BONN (IHT).—Hans Friderichs is the economics minister of a country that is doing well. Second only to Switzerland with the world's most stable economy, West Germany has the highest currency reserves of any Western industrial nation ($34.6 billion), almost twice that of the United States, which is in second place, and easily twice that of Japan, which is No. 3.

Last year, this country enjoyed the strongest increase in favorable balance of trade (up $13.7 billion), followed some $3.5 billion behind by Japan. The major import and export trading partners are the same, only in a different order. Exports: France, the Netherlands and Belgium. Imports: the Netherlands, France and Belgium.

This nation's industry has traditionally been export oriented and since 1969 has had mounting currency exchange problems as the D-mark climbed 68.3 per cent against the U.S. dollar. Against the British pound, the mark has skyrocketed 138.8 per cent and against the Italian lira 137.1 per cent. However, against the Swiss franc, the mark has declined 5.2 per cent in about seven years.

In terms of GNP, West Germany improved last year by 5.5 per cent, in third place behind the United States (6.25 per cent) and Japan (6 per cent).

Real disposable income in West Germany, however, rose only 1.8 per cent in 1976, clearly behind that in most comparable countries (up 5 per cent in Japan, 4.3 per cent in the U.S., 2.5 percent in France). The 1976 growth rate of the economy (5.6 per cent) is officially expected to ease slightly, to 5 per cent, but the Handelsblatt, a leading business daily, warned last month: "Never before were the results of statistical data so misunderstandable as in this phase of the business cycle. There are such extreme situations in the different branches of industry that their arithmetical middle means almost nothing."

Guth's View

For example, while the textile industry as a whole is in trouble, the women's-wear field announced earlier this month that it has overtaken France as the world's leading exporter in the field. And while the boom in the chemical industry has made it this country's leader, chemical fiber manufacturers are cutting back production more and more.

Wilfried Guth, spokesman for the board at the Deutsche Bank, who is not pessimistic, said earlier this month that one of the problems of the West German economy was the lack of a "really convincing pacesetter" to lead the upswing.

Another lack is investment. A West German business magazine reported last month that only a quarter of industrial firms planned real investments for 1977-78, another quarter counted on cutting their outlay for new facilities, the rest would make no changes or had not yet reached a decision.

In mid-March, the government worked out a 16-billion-mark investment program to stimulate industry. The Program for Future Investments is extended over a number of years but Bonn expects the first effects on the economy to be felt this year, when the "primary" recipient is the construction industry.

For a closer look at the problems of German industry, its future, Bonn's positions on the upcoming economic summit, the North-South dialogue and the export of nuclear technology, the International Herald Tribune interviewed Economics Minister Hans Friderichs.

Q—What will be West Germany's standpoint at the Economic Summit Conference in London? It is expected that President Carter will ask for a stimulation of the world economy. What will be the German reaction to this?

A—We are, of course, very constructive and do not only favor international cooperation in order to stimulate world economy, but also to promote that stimulation at every possible opportunity. That is what we have done up to now: in our economic policy, in import policy, in currency policy and in our participation in bilateral and multilateral support for countries with weaker economies. One thing we do not want is an artificial, quick-but-not-lasting policy of expansion with an inevitably following inflation.



Hans Friderichs, Economics Minister

This would not have any advantage for us nor for our partners.

Q—The possibility of certain industries seeking protectionist mea-

Trade With East European Countries Is Causing Some Concern

(Continued from Page 15.)

Soviet Union and the Soviet bloc.

In West Germany itself, feelings were decidedly mixed. Whereas some industrialists and policy makers talked glowingly of golden opportunities just east of the Elbe, others equated the emerging deals to "trading with the enemy." Some envisioned East-West trade as a handy instrument for exerting diplomatic and political pressures on the Communist countries.

It is still a controversial theme, so controversial in fact that it emerged as a last-minute issue in the waning weeks of West Germany's election campaign last fall. Oddly enough, it was the opposition Christian Democratic party, with its reputed ties to industry and big business, which singled out East-West trade as yet another example of the left-liberal coalition's "soft" Ostpolitik.

Diplomatic Lever

The inclination to use East-West trade as a diplomatic lever is still there.

"When the Communists misbehave," many West Germans contend, "all we have to do is cut off the flow of goods to them."

Periodically, the Communist countries try to reverse the coin. West German businessmen were told implicitly by Czechoslovak sources earlier this year that lucrative orders might be withheld unless Bonn and the West German media mute their criticism of the way Prague has been treating its "Charter 77" dissidents and human rights activists.

It is also true that when the diplomatic climate is cool—as it has been between Bonn and Moscow, for example, since last fall—trade also tends to become sluggish.

But on the whole, the political and diplomatic factors have started taking a back seat to the purely economic ones, and those are considerable.

For one thing, it now appears that the streets of Eastern Europe are not paved with gold but with credit, and there is simply a limit to how much additional debt the Communist countries can safely—or are themselves willing to—incur.

They obviously cannot keep on buying unless they can also sell, and more astute West German traders such as Otto Wolff von Amerongen are among the first to concede that point.

'Secret Minister'

The head of Otto Wolff AG, a steel, iron, machinery and trading conglomerate, he is also president of the West German Council of Industry and Commerce (Deutscher Industrie und Handelstag) and has been known for more than a quarter-century as Bonn's "secret minister of East-West trade."

That title is more than merely a tribute to the successes he has scored on behalf of his own Cologne-based conglomerate (an enterprise started in 1904 by his father, Otto Wolff sr., known in German business circles as "Old Ironsides," and who scandalized those circles by busily dealing with the Bolsheviks as long ago as 1920).

Actually, Mr. Wolff was—and still is—in addition to his other functions, the chairman of the "East Committee of the German Economy," a quasi-governmental group, established in 1952 and empowered to act on behalf of the government in the Communist countries where Bonn had no formal diplomatic ties at the time.

"It is not so much the amount of the East's indebtedness which worries us," says Mr. Wolff, "but the rate at which it has been accruing.

"Apparently it also worries them, which is why they have curbed imports and put a damper on their buying spree while simultaneously stepping up their sales drive to the West.

"As an exporter this trend obviously does not make me very happy," says Mr. Wolff, "but it makes sense and it is certainly a sign that they are economically more responsible than some people in the West give them credit for being."

The question which no one in West Germany can answer yet is how long the change in the trade pattern will continue.

It is obvious that Communist goods have not suddenly become more competitive and more marketable in the West, so what accounts for the upsurge?

Rise in Imports

Some of the increased volume in imports from the East may be due simply to higher prices for Soviet raw materials, particularly oil, which have nudged up to world market levels during the past year or so. In 1976 the Soviet Union raised its price for oil to the West by 10 per cent from $11.90 to $13.09 per barrel, bringing it into line with the OPEC average.

It is also possible, as the Bundesbank has pointed out, that the rise in imports from the Communist area reflects West Germany's own economic recovery in 1976. West Germany can buy more than in 1975 or 1974.

Most West German experts believe that eventually the pendulum will swing back. The Communist countries, they contend, simply need Western machinery technology and consumer goods. After the current period of belt-tightening, orders for them are bound to rise again.

Meanwhile, however, it is undeniable that the changing trade pattern is having at least some impact on the West German economy.

Though East-West trade may account for only six per cent of West Germany's global total, it does make up a major chunk of Bonn's balance-of-payments surplus: 19 per cent last year, and 25 per cent in 1975.

Moreover, East-West trade also accounts for an important share of the business done by a number of key industries. Corporations such as Krupp and Hoechst, which export turn-key steel and chemical plants, do as much as 12 per cent of their foreign business with the Communist countries each year.

'Stabilizing Element'

In the labor-intensive machine-tool industry it plays an even larger role, and has done so traditionally—ever since 1926 when 80 German machine-tool makers formed an association to set up a permanent exhibition in Moscow.

As much as 25 per cent of the machine-tool industry's current orders are booked to the Soviet Union and other Communist countries, and, as an industry spokesman once put it: "Those sales, despite marketing difficulties, have come to represent a stabilizing element for us during a period of decreasing business in Western countries."

The degree to which this industry is dependent on East-West trade is evidenced by the fact that a number of the firms which went bankrupt in 1975 placed the blame on refusal by their Soviet customers to accept price escalation clauses in contracts. They had gotten caught in profit squeezes when they were unable to pass on some of their own unforeseen labor cost increases.

It has been estimated that at least a half-million jobs in West Germany are somehow directly dependent on trade with the Communist area.

That is a point raised by the SPD-FDP government whenever the opposition CDU/CSU advocates suspension of deliveries or curbs on trade with the East as potential leverage to obtain diplomatic concessions from Moscow, Warsaw or East Berlin.

Though the demand for West German goods and technology will remain high, recession in Eastern Europe and the rising Communist debt are compelling West German exporters to devise new means to finance the deals.

The "magic formulas" which may be playing more important, though hardly new, roles are "barter" and "counterpurchase agreements."

On the whole, West German exporters are reluctant to enter into such arrangements, largely because the Communist countries still have relatively little to offer that is marketable in the West other than raw materials and semi-finished goods. But the Soviet Union in particular as well as Poland and Romania have been stepping up their demands for such deals.

Barter Basis

While West German experts agree that it may be feasible, in principle, to settle 10 per cent of any deal on a barter basis, anything above that is likely to result in losses for the West German supplier.

What the West Germans would like are more cooperative and joint-venture agreements. Some 350 are in operation currently. But the Soviet Union and East Germany, the two countries that account for almost half of all the Federal Republic's trade with the Communist world, are ideologically and irrevocably opposed to cooperative production and joint-venture enterprises.

Yet, if East-West trade is currently not the bonanza it used to be, it is still lucrative for those engaged in it, and for all the pessimism being voiced in West German industrial circles, some spectacular deals are still in the offing.

By far the biggest is the steel complex being built by a consortium of West German firms, most prominent among them Salzgitter AG, Krupp, Korf Steel, Siemens, AEG and Demag, at Kursk.

Consortium

Originally projected at DM 2.5 billion, cost estimates for the installation, which will include pelletizing and direct reduction plants, two rolling mills and an electric steel mill, have now risen to almost DM 5 billion, making it the largest single deal in the history of East-West trade.

Contracts for the first two plants are expected to be signed within a month. Meanwhile members of the consortium have submitted bids for a third plant and are expected to bid for the remaining two before the summer.

The documentation work on the project, for which the Soviet Union paid DM 100 million in cash, entailed 18 months of detailed and computerized planning. A four-ton truck was needed to carry the paper work from Essen to Moscow last August.

In the meantime, Krupp has also negotiated a DM 2.6-billion deal with Poland for construction of coal gasification plants near Katowice.

A West Berlin company, Berlin Consult GmbH, has gotten the nod to build the new deluxe terminal for Moscow's Sheremetyevo airport for DM 250 million.

Hamburg's Blohm & Voss shipyard has landed two DM 100-million contracts within the past year to deliver equipment for development of the Soviet Union's Caspian Sea offshore oil deposits.

Hoechst Chemical Co. is still negotiating a complex DM 2.5 billion for a number of petrochemical plants in the Soviet Union.

Joint Venture

And it now appears that the long, protracted negotiations between Romania and VFW-Fokker GmbH for joint construction of the VFW-614, a short-range, 46-seat, passenger jet, are nearing completion. It will entail a joint-venture company to produce 100 of the planes, 50 of which Romania will buy for domestic use, 50 of which will be sold on third markets. The deal is valued at DM 1.2 billion.

At the time of its modest beginnings in the 1950s, West Germany's trade with the East was based on an unorthodox philosophy. Instead of the traditional "trade follows the flag" approach, it was predicated on the unconventional notion that the flag could follow the traders.

Stated in more concrete terms, it called upon German industry and business to reopen the diplomatic doors that had been slammed shut by Hitler's invasion of Eastern Europe and the Soviet Union and by the subsequent cold war with its division of Germany itself.

It foresaw establishment of trade missions with quasi-diplomatic status in Poland, Romania, Bulgaria, Hungary and Czechoslovakia—countries Bonn refused to recognize because of their relations with East Germany and which, in turn, had no interest in improving relations with the Federal Republic which they regarded as the reincarnation of the Nazi Reich.

It was a policy conceived in a time when the East-West propaganda war was at fever and relations seemed at worst.

'Flag Follows'

Many Bonn politicians this with skepticism, one most skeptical of all bei Adenauer. Many of tho approved did so with ulter tives, harboring the tac that East-West trade wou vide a potential lever fo ening up" the Soviet bloc ing East Germany within ultimately breaking the G of that bloc to be reunit West Germany.

Those hopes did not m ize. However, the "flag trade" approach, aside fi obvious benefits to West ny's economy, laid the tion for East-West déte the rapprochement betwe and its Eastern neighbor

Much of the credit goe men who not only pionee trade but to this day rar most imaginative, active cessful traders: Otto W Berthold Beitz, the chai Krupp.

But from the outset th it clear that they were i in business first. That their view.

"East-West trade," Wolff, "should be depo

But even if it isn't, he confident that West Gen always have the lion's sh

"Our links with the tries," he says, "are They have always been ny's biggest natural They are accustomed tc we do business and the tradition of punctuality, know-how and service."

Even though West products are more expen Bonn refuses to subsidize those values seem to be when it comes to sig contracts.

steel 钢
machinery 机器
shipbuilding 船
rolling stock 铁路车辆
industrial planning 工业策划
trade and transport 商业与交通
فولاذ
مكائن
سفن
عربات
تخطيط صناعى
التجارة والمواصلات
СТАЛЬ
МАШИНЫ
СУДА
ВАГОНЫ
ПРОМЫШЛЕННОЕ ПЛАНИРОВАНИЕ
ТОРГОВЛЯ И ТРАНСПОРТ
Salzgitter
world-wide
Salzgitter AG, D-3320 Salzgitter
Federal Republic of Germany

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The Economy: It Is Optimistic but Certainly Subdued

(Continued from Page 15.)

stability. The worldwide inflation following the sudden oil-price hike in 1973 threw national and international financial mechanisms out of kilter, and the Germans at least are bound and determined that this will be avoided in the future. The government has a staunch ally here in the Bundesbank. The twin measures of controlling growth of the money stock and cutting government budget deficits enabled the authorities to bring consumer price inflation to an average 4.6 per cent in 1976 from six per cent in 1975.

The cost of living index showed a yearly increase of only 3.9 per cent in December. The year-to-year increase rose to 4.1 per cent in January, but 0.5 per cent of that increase was said to be due to the rise in liquor and tobacco taxes at the turn of the year. In February, the rate eased to four per cent and in March to 3.9 per cent.

Inflation

Government and Bundesbank circles say inflation can be kept under four per cent this year ("a three before the decimal"), but most other analysts see an upturn in inflation toward the end of the year. The OECD and other outside analysts project German inflation at 4.5 per cent for 1977.

The Bundesbank set its goal for growth of the central bank money supply, or money stock, to allow enough room for economic expansion without fueling inflation. The central bank failed to hold to its 1976 goal of an eight per cent average expansion of the money measure—which includes cash in circulation and domestic bank deposits subject to minimum reserve requirements adjusted for changes in reserve requirements—as short-term capital inflows from foreign exchange speculation pushed the supply up an average 9.2 per cent for the year.

Undaunted, the Bundesbank set its target again this year for an average eight per cent increase. But because of the too rapid growth in the latter part of 1976, the central bank explained that actual growth would have to be held to between six and seven per cent until the fourth quarter of this year. With some pride, the Bundesbank said in its report last month that central bank money supply growth was right on target at 6.5 per cent.

On the fiscal side, public sector deficit spending is expected to be cut to 40-45 billion marks from 47 billion marks in 1976 (compared with 65 billion marks in 1975). But the shortfall in pension financing is expected to rise to 12 billion marks from five billion marks so that the overall deficit could easily match last year's. Nor does this reckoning include the 3.5 billion marks called for this year by the infrastructure investment scheme.

Public Sector Deficit

It is precisely the level of public sector deficit that Bonn refers to when it defends its refusal to launch the full-scale reflation program demanded of Germany by the United States and other allies. Government officials from Helmut Schmidt on down point out that the 1976 government spending deficit represented 4.2 per cent of GNP, compared with a U.S. deficit equal to 2.75 per cent of GNP.

The federal government itself, which had a net credit requirement of 25.8 billion marks in 1976, has budgeted a deficit of 22.8 billion marks for this year, and plans to reduce the gap to 15.9 billion marks in 1980.

The big concern in both private and public sector is the level of private investment in production capacity. The Bundesbank in February reported that capital goods orders were up six per cent in the last two months of 1976 from the previous two months, but the latest survey from IFO indicates this upswing does not necessarily demonstrate a lasting trend and in fact blames a worsening of the business climate on the growing conviction that capital spending will not show a significant increase this year.

Commerzbank chief executive Robert Dhom said at a recent press conference that economic growth and investment demand should stay on an essentially flat, slightly upward curve until the first quarter of next year. In January, Manfred Lennings, the chairman of GHH, Europe's biggest capital goods producer, said orders were up 18.2 per cent in the first half of the fiscal year (the last half of calendar 1976), but said the biggest upsurge came at the beginning of that period and tapered off toward the end. Also, the basis of comparison was an unusually weak period in the year before. Then, too, much of the GHH increase came in vehicle orders, which do not relate directly to expansion of production capacity.

Cloudy Picture

Meanwhile, the Economics Ministry released the index for new orders to manufacturing industry in January, showing a decline of 6 per cent from December on a seasonally adjusted basis. The Economics Ministry added that the index, which was delayed three weeks due to a technical alteration, should be interpreted with caution because of some confusion resulting from the technical change.

The Professional Association of Machinery Makers, VDMA, said machine orders were up 6 per cent in February from the previous month, but this followed a 17 per cent drop in January from December. Overall orders in February were up only 2 per cent from February 1976. In the three-month period December through February, overall orders were trailing previous-year levels by 1 per cent in real terms, due to a 5 per cent drop in foreign orders offsetting a 6 per cent rise in domestic orders for the period.

Production itself, which was generally up in 1976 as German industry recovered from recession lows the previous year, shows an equally cloudy picture. The Federal Association of German Industry (BDI) says 1976 production was up 6.7 per cent, adjusted for difference in working days. The largest single industrial branch, machinery makers, showed a 0.7 per cent drop in production, including a 5.1 per cent decline in the last two months of the year.

Profits

Although production in the machinery industry is expected to increase this year, most sectors are expected to show a slowed rate of growth. A Commerzbank prognosis shows auto production, which jumped ahead 115 per cent in 1976, should only increase a modest 3-4 per cent this year. Commerzbank expects overall industrial production to increase half of 1976's rise.

But production capacity remains only 80 per cent utilized on average, especially in the two biggest branches, machinery makers and chemicals. Top executives see little chance for any but rationalization investments as long as this unused capacity is there.

Moreover, these executives say, companies will not have much incentive for further investment if their profits do not improve. Rolf Sammet, chief executive at Hoechst and chairman of the Chemical Industry Association (VCI), complained at a press conference in January that the chemical industry's return on sales fell to 2.1 per cent in 1975 from 2.8 per cent in 1974. Even if 1975 was an unusually depressed year, the yield in Germany is far below the U.S. levels of 6.3 per cent in 1975 and 7.4 per cent in 1974, Mr. Sammet said.

THE 20 LARGEST SUPPLIERS IMPORTS CIF

ACCORDING TO IMPORT VALUES IN 1976	1975 MILL. DM	%	1976 MILL. DM	%
1. NETHERLANDS (1)	25,731	14.0	30,563	13.8
2. FRANCE (2)	22,147	12.0	25,831	11.7
3. BENELUX (4)	15,743	8.5	19,059	8.6
4 ITALY (3)	17,228	9.3	18,898	8.5
5. UNITED STATES (5)	14,226	7.7	17,557	7.9
6. GREAT BRITAIN (6)	6,939	3.8	8,541	3.9
7. SWITZERLAND (7)	5,471	3.0	6,765	3.1
8. JAPAN (8)	4,295	2.3	5,435	2.5
9. LIBYA (13)	3,447	1.9	5,283	2.4
10. IRAN (12)	3,635	2.0	4,983	2.2
11. AUSTRIA (11)	3,788	2.1	4,893	2.2
12. SWEDEN (9)	4,253	2.3	4,706	2.1
13. SAUDI ARABIA (10)	3,898	2.1	4,516	2.0
14. SOVIET UNION (14)	3,240	1.8	4,362	2.0
15. DENMARK (15)	2,786	1.5	3,291	1.5
16. ALGERIA (16)	2,527	1.4	2,882	1.3
17. SPAIN (20)	2,170	1.2	2,754	1.2
18. NIGERIA (17)	2,376	1.3	2,453	1.1
19. BRASIL (18)	2,211	1.2	2,413	1.1
20. NORWAYS (–)	1,870	1.0	2,361	1.1
TOTAL OF 20 LARGEST SUPPLIERS	147,981	80.3	177,551	80.1

SOURCE: FEDERAL OFFICE OF STATISTICS

A survey by the Frankfurter Allgemeine Zeitung published in March shows that net return on sales of German firms fell to an average 1.75 per cent in 1975 from 3.75 per cent in 1969, a drop of 60 per cent. Mr. Sammet, echoing similar pleas from other industry leaders, said the government should help improve the earnings situation by eliminating the tax on assets and increasing depreciation write-offs. The latter point was one of the recommendations from the government's economic advisory panel—"the five wise men"—as one way of encouraging investment that would create jobs.

The biggest concern, however, is the level of wage increases. Business leaders complain that soaring levels of wages and fringe benefits discourage expansion and encourage rationalization to eliminate jobs. I.G. Metall, the country's largest union, taking in auto workers and other metal industry workers, demanded a wage increase of 9.5 per cent at the beginning of this year and finally settled for 6.9 per cent with fringes that brought the cost to the company to between 8 and 8.5 per cent.

Wage Settlements

Business and government leaders both reacted sharply, saying that wage settlements at this level would endanger economic growth and keep unemployment at high levels. The tension was somewhat alleviated when the second largest union, the Public Service Workers (OETV), settled for 5.3 per cent and fringes that brought the employer's cost to just over 6 per cent. Most settlements since then are falling between these two boundaries.

But the high cost of producing in Germany—in some branches unequaled—and the sharp appreciation of the Deutsche mark in the past few years have encouraged German companies to plan production facilities abroad. And the main target for most of them is the United States. The huge American market, its safely capitalistic political climate, low wage and fringe benefit costs—particularly in the South—certain economic recovery and the stability of the dollar, all these are incentives for German companies to reverse the direct investment trend of the 1950s and 1960s.

The much-publicized Volkswagen venture, which will entail investments between $150 million and $200 million, is not an isolated example. In March of this year, Degussa opened a chemical plant in Mobile that required investments through this year of $150 million. Also last month, Bayer held its first major press conference in New York and said it intends to invest $500 million in its U.S. operations in the next five years, and Linde announced acquisition of majority interest in Otis Elevator Co.'s fork-lift business. Nixdorf said earlier this month it is making an offer to acquire Entrex Inc., a small U.S. maker of office computers with a well established distribution system.

Investment Abroad

Bundesbank statistics show that German direct investment abroad, which in 1975 exceeded foreign direct investment in Germany for the first time this decade, widened the gap even further in 1976. Net direct investments abroad last year were six billion marks, 2.2 billion marks more than foreign investments here. In 1975, German foreign investments were 4.9 billion marks, 1.8 billion marks more than foreign investments in Germany.

Germans are concerned about their dependence on exports. In 1976, merchandise exports represented 22.5 per cent of GNP, against 18.8 per cent in 1970 and 15.9 per cent in 1960. Exports rose 15.6 per cent in value last year to 256.2 billion marks, while imports were up 20.2 per cent in value to 221.6 billion marks. The trade surplus consequently narrowed to 34.5 billion marks from 37.3 billion marks. Most projections put expected increase for both imports and exports this year at 9 per cent in real terms, compared with 1976's real increase in exports of 14 per cent and real increase in imports by 17 per cent.

The Bundesbank noted in its monthly report in March that the German trade surplus in 1976 rose 5.5 billion marks against three major European trading partners —France, Italy and Great Britain.

Against other countries, the trade surplus actually declined by 8.5 billion marks. The strong increase in exports to the three countries—exports to France alone were up 29.5 per cent to 33.6 billion marks—was spurred by the rapid depreciation of currencies of these countries against the Deutsche mark as orders were quickly placed before the currency could depreciate even further.

EEC Expenditures

The importance of these countries and Europe in general for the German economy makes the monetary burdens shouldered by the Germans within the EEC a little easier to bear. The Bundesbank noted in January that net German expenditures to the EEC had quintupled in a five-year period from 730 million marks in 1971 to 3.6 billion marks in 1976 due largely to the EEC agricultural programs. The federal government's budget for this year foresees a net expenditure of 4.5 billion marks.

Also, Mr. Schmidt cites Germany's readiness to help out with loans and standby credits as a way the country supports European economic recovery. Germany signed up for sizable portions of the various credits and guarantees in the rescue effort for Great Britain last year.

Meanwhile, both the government and the central bank emphasize that Germany's surplus on the current account—embracing merchandise trade, services and transfer payments—has declined steadily. The current account surplus slipped to 7.5 billion marks last year, from 9.4 billion marks in 1975 and 25 billion marks in 1974. Government officials have said it should drop further to 5-6 billion marks this year. In the first two months of this year the current account actually showed a preliminary deficit of 558 million marks.

Ruhrgas in the International Energy Market

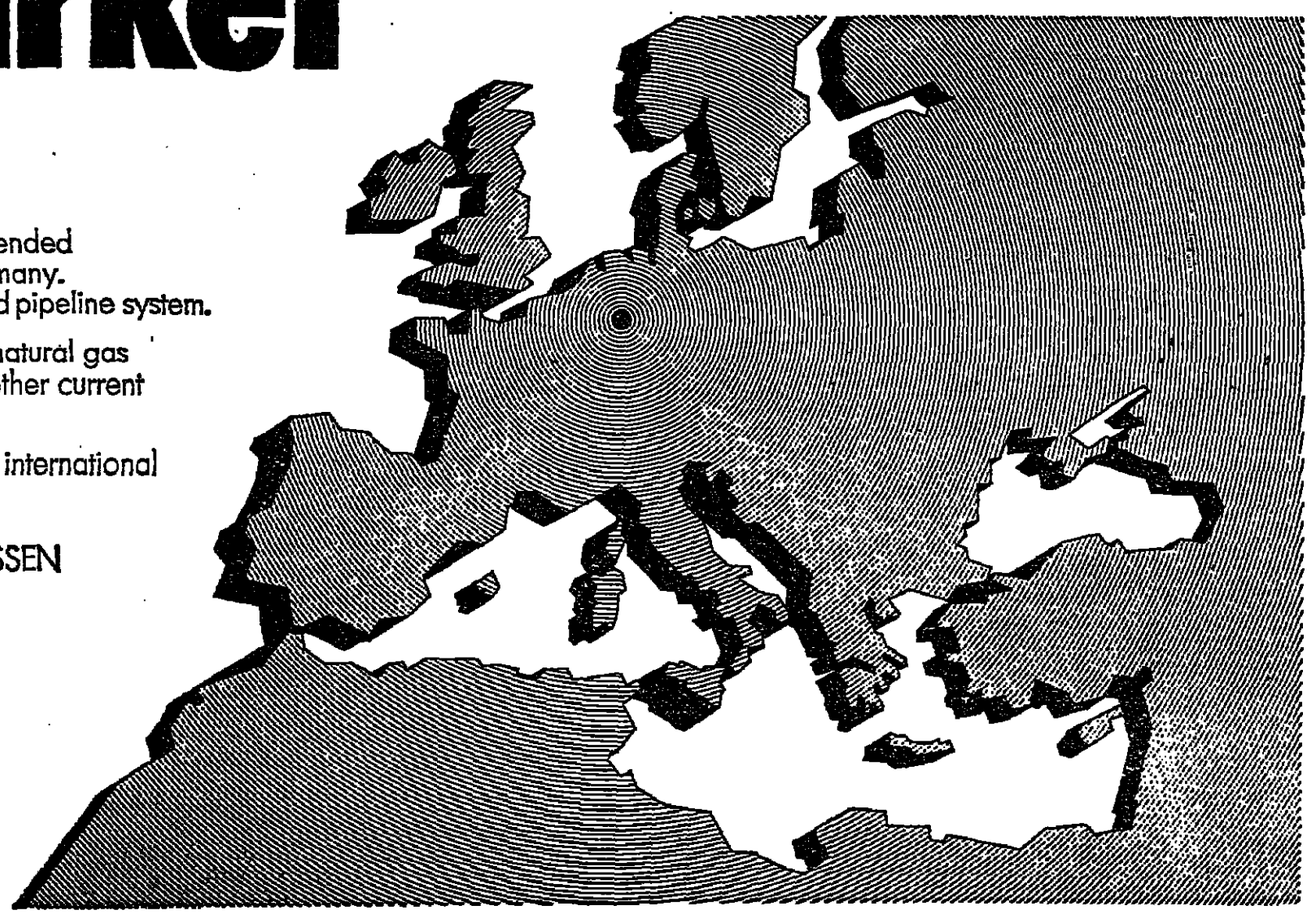


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Two Leading Bankers Talk About Their Expanding Operations

Dresdner Bank

By David Tanner

LONDON (IHT).—Much of what one sees and hears about West Germany's economy is positive. Germany's industry is efficient. There usually aren't big conflicts between labor unions and management. Delivery schedules are always met. The trade surplus will again be large this year. And so on.

Thus, it is somewhat surprising to find that a leading German banker has a different and somewhat pessimistic view about Germany's economy. And he cites the possibility of stagnation at home over the medium term as one of the main reasons for German banks embarking upon large-scale expansion abroad.

In an interview in London, Juergen Ponto, speaker of the management board of Dresdner Bank, listed three inter-related concerns about the German economy. First was the rise in labor costs over the past several years. "Do you realize that German workers are now earning more than American workers," he asks.

He said the rise in the unit cost of manufacturing in Germany was speeding expansion of German industry abroad. "It is only natural for German banks to follow their clients abroad," he says.

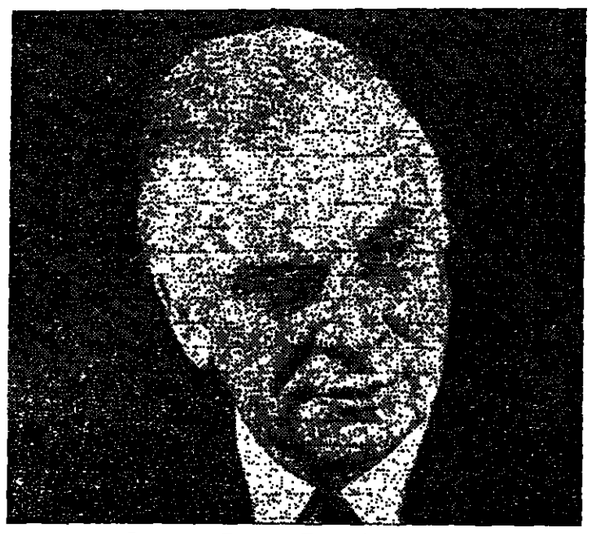
Another concern mentioned by the German banker was the rise of the Deutsche mark against most other currencies except the Swiss franc over the years. "It is much harder for German industry to compete internationally because of the exchange rate rise," Mr. Ponto asserted.

He said that one of his main concerns, which directly affects demand for bank loans, is a slowdown in Germany of investment in new plant and equipment. "If the slowdown continues for many more years, it will be very difficult for German industry to regain its dynamism," he said.

Asked about Dresdner Bank's plans for expansion abroad, Mr. Ponto said his bank was perhaps the first of the big German banks to start increasing its foreign branch network and representative offices. "We were the first German bank to open a representative office in Moscow," he noted.

"We will continue to develop our overseas network but we won't try to imitate the American banks by setting up branches everywhere," he said.

Mr. Ponto said Dresdner Bank's



Juergen Ponto, Dresdner Bank

strategy in expanding abroad would involve medium-term lending in the form of Eurocurrency bank loans and in arranging Eurobond issues. He said the traditional areas of international banking such as financing trade or lending short-term to corporations probably wouldn't expand as fast as medium-term lending.

"There is a definite demand for medium-term capital and banks are particularly suited to judge the risks and make the assessments," he said. He added that bond and stock markets (the other main sources of medium and long-term capital) are usually open only to a relatively few, well-established borrowers.

In this connection, Mr. Ponto predicted that international banks will increasingly use the Eurobond market as a way of obtaining a medium-term source of funds. This type of funding would thus enable banks to minimize the classic banking peril of borrowing short and lending long.

Indeed, in the first quarter, banks accounted for $875 million or about 18 per cent of the record 4.87 billions worth of Eurobond issues scheduled for offering in the period.

Eurobond issues are generally defined as those floated through an international syndicate in several countries at once. In the first quarter, most of the issues floated by banks were at variable interest rates. These so-called Floating Rate Note (FRN) issues totaled $685 million while the fixed-interest type totaled $190 million. However, Mr. Ponto said he believed that international banks would increasingly offer convertible Eurobonds or Eurobonds with warrants to buy shares.

As it happens, Dresdner Bank has announced plans to float a note issue of its Luxembourg subsidiary, Cie Luxembourgeoise de la Dresdner Bank, which will be convertible into Dresdner Bank shares. Rights to subscribe to the 395 million-mark, six-year notes bearing 5.25 per cent will be issued to shareholders. Since about 80 per cent of Dresdner Bank's shareholders are German, it seems likely that most of the note issue will be placed in Germany.

However, both Deutsche Bank and Union Bank of Switzerland have disclosed plans to offer 10-year Eurodollar bonds with equity features. The Deutsche Bank issue will have warrants, which give the holder the right to purchase nine Deutsche Bank shares at a price yet to be determined. The Union Bank offering will probably be structured so that each bond can be exchanged for one Union Bank share.

Equity Links

Common to all three of these equity-linked issues is the fact that the coupon rates will be in a relatively low range of, say, 4.0 to 5.25 per cent. This feature effectively means that the banks will be borrowing medium-term funds at a cost well below their return on lending. Moreover, the possibility that the debt will be converted into equity or that the warrants will be exercised will have the effect of boosting the bank's capital base. Of course, regular increases in capital are necessary to enable banks to keep increasing their deposit liabilities and their loan assets.

Mr. Ponto said these two features of low-cost funding and the possibility of raising equity capital are likely to induce many banks to float equity-linked issues. "We have seen only the tip of the iceberg as far as bank convertibles are concerned," he said.

Though Dresdner Bank intends to obtain a medium-term source of funding through its convertible issue, it will also continue to actively participate in medium-term syndicated Eurodollar loans, which involve the risk of borrowing short and lending long. This area is dominated by American banks, which are able, as a last resort, to turn to the U.S. Federal Reserve Banks for funds. However, banks of other nationalities have to rely on U.S. banks to be their lenders of last resort.

Despite this consideration, Mr. Ponto said, "I think German banks are quite comfortable in lending dollars."

"The Eurodollar market is a very reliable, liquid market and not open to manipulation by any government," he explained.

Discussing in broad terms the way he sees international banking business evolving, Mr. Ponto said he expected that banks would attempt to diversify their services along the lines currently offered by the German universal banks. The German universal banks such as Dresdner not only engage in commercial lending but also investment banking functions such as flotation of stock and bond issues, portfolio management and arranging mergers and acquisitions.

Under Anglo-Saxon law, commercial banking and investment banking functions have been separated to avoid conflicts of interest such as could occur when a bank acts as both a lender to a corporation and as a seller of the corporation's bonds and shares to the public. Mr. Ponto said this sort of problem was avoided by separating functions within the bank. He also argued that universal banks are in a better position to offer "neutral" advice to a corporation than a specialized institution.

"Since we can provide whatever service a corporation needs, we don't have to shape our advice along certain lines as a specialised institution does," he maintained.

At the same time, Mr. Ponto said it would probably be unwise for all German banks to attempt to become universal banks and move into the international arena. Some of the regional banks in which the state governments have a big participation have moved in this direction. For example, Westdeutsche Landesbank Girozentrale has moved aggressively into the Eurobond and syndicated Eurocurrency credit fields with considerable success. In a tabulation by the Institutional Investor, Westdeutsche Landesbank ranked ahead of both Dresdner Bank and Commerzbank as lead manager for Eurobond issues in 1976. However, while Westdeutsche Landesbank occupied 10th place, Dresdner Bank 14th and Commerzbank 16th, Deutsche Bank came first.

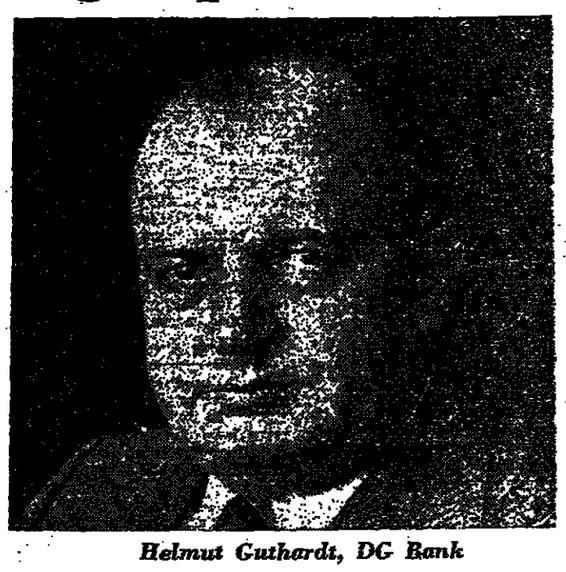
A few years ago, Hessische Landesbank Girozentrale was also expanding as a universal bank but it encountered a series of problems that resulted partly from its inexperience. Several of the bank's loans had to be written off. As a consequence, its hopes of becoming a bank heavily involved in the international business faded.

Mr. Ponto said that the regional banks were established to serve specific areas. "I don't know whether these banks can change their traditional function without causing resentment," he said.

"On a political level, the regional banks are meeting some opposition because of expansion outside their areas," he noted.

The German banker said that as a general rule he expected the process of merger and consolidation of the German banking industry to continue.

"There are more banks in Germany than there are pharmacies. So further rationalization is inevitable," he said.



Helmut Guthardt, DG Bank

DG Bank

By George Lanham

FRANKFURT (IHT).—A grass-roots bank with international clout is the image DG Bank has been cultivating in the past few years. With a streamlined name and a new charter from the German government, the central bank and liquidity manager for Germany's 5,000 cooperative banking institutions has established branches and offices abroad and expanded its international services sector to compete with the large private banks and big *Landesbanks*.

"The branch networks of all three banking sectors are set," Helmut Guthardt, vice-chairman of DG Bank's management board, said in an interview. "But the adjustment of market share will continue."

Mr. Guthardt noted that the three major sectors in the German banking system—commercial banks, savings banks and cooperative banks—were represented side by side in practically every town and village in the country. And each sector is prepared to offer every banking service to any customer.

"We began expanding our international activities in 1973," Mr. Guthardt said, "due partly to a sense of economic responsibility—to put funds from the cooperative banking sector into productive activity." The other incentive was that the medium-sized companies that make up the traditional corporate customer base of "folk banks" and agricultural cooperatives in the system expanded their own international activities and expected the support of financial services from their bank.

It fell to DG Bank, or Deutsche Genossenschaftsbank, as it is officially called, to develop these international services for the cooperative banking system. Reserves and liquid funds of the system are funneled to DG Bank through ten regional banks. DG Bank's task is to invest these funds productively and provide support services beyond the scope of individual system members.

"We felt it would be impossible to sustain the competitiveness of the cooperative banks at home without some international reputation," Mr. Guthardt said in explaining DG Bank's move abroad. "Also, the abandonment of fixed exchange rates and the effects of floating rates on domestic money markets, where we've traditionally been very active, made it imperative for us to expand our international base."

This reasoning echoes the justification given by the regional central banks in the savings bank sector—the *Landesbanks*. These banks, which function as state banks as well as central banks for the savings banks in their states, likewise have built up their domestic competitiveness by expansion of their international activities. The largest of these banks, Westdeutsche Landesbank Girozentrale, has become an acknowledged force in world finance.

"The adjustment in customer base that is continuing now began when the three 'Grossbanken' started their expansion into retail banking at the end of the 1950s," Mr. Guthardt said. "As they began seeking customers for savings deposits, institutions in the savings bank sector and cooperative sector shifted their strategy to gain more of the corporate credit and export financing business," Mr. Guthardt said.

In 1972, DG Bank became a partner in the Luxembourg unit of Berliner Handels- und Frankfurter Bank (BHF-Bank). In 1973, it formed London & Continental Bankers Ltd. as majority shareholder with its parallel institutions from other Euro countries. DG Bank itself set up a branch and repres tive office in New York an office in Hong Kong. Begin last year, the bank was offic chartered by a special fe law making it a full univ bank and establishing *de* the de facto practice of the in taking direct deposits f corporate customers.

"We're now engaged in e aspect of international fin —syndication, underwriting, ternational credits, export c its," Mr. Guthardt, who is charge of the bank's inter tional business, said. "We our two goals at the same tim looking for first-class addres in which to invest our liquid and providing every financ service for our customers int ested in trade or investm abroad."

Mr. Guthardt said the spec cooperation with cooperat banking systems in other co tries would continue. A signi cant example of the potential this cooperation was provided l last year when DG Bank a nounced a syndicated loan $150 million to Hungary. Th German bank was syndica manager and the funds we provided by cooperative banks Germany and other Europe countries. Earlier this year, D Bank managed a 150-milli mark bond placement for t World Bank through the coop ative banking systems in Euro

Flexible

Mr. Guthardt noted the Hu garian loan was won in compe tion with another consortium cause DG Bank offered the fun at 1 1/8 points above the Lond Interbank Offering Rate, corre ly reading in October a downw trend in interest rates that ma the loan correspond to mark conditions when the agreeme was finally signed in Janua He said a similar flexibility money markets keeps the ba competitive.

"Of course, when we began o international expansion, we h to go shopping for people wi experience," Mr. Guthardt sa "But now we've developed to t point where we can develop o own talent."

Mr. Guthardt said DG Ba can overcome the reluctance new customers to come to a rel tive newcomer in internation activities by keeping flexible a competitive.

"There is a very sharp compet tion in German banking," he sa "It is in fact because all secto have moved to the univers banking model that the univers bank can't be said to hinder cor petition," he added, referring the competition between the thr sectors and within the secto themselves.

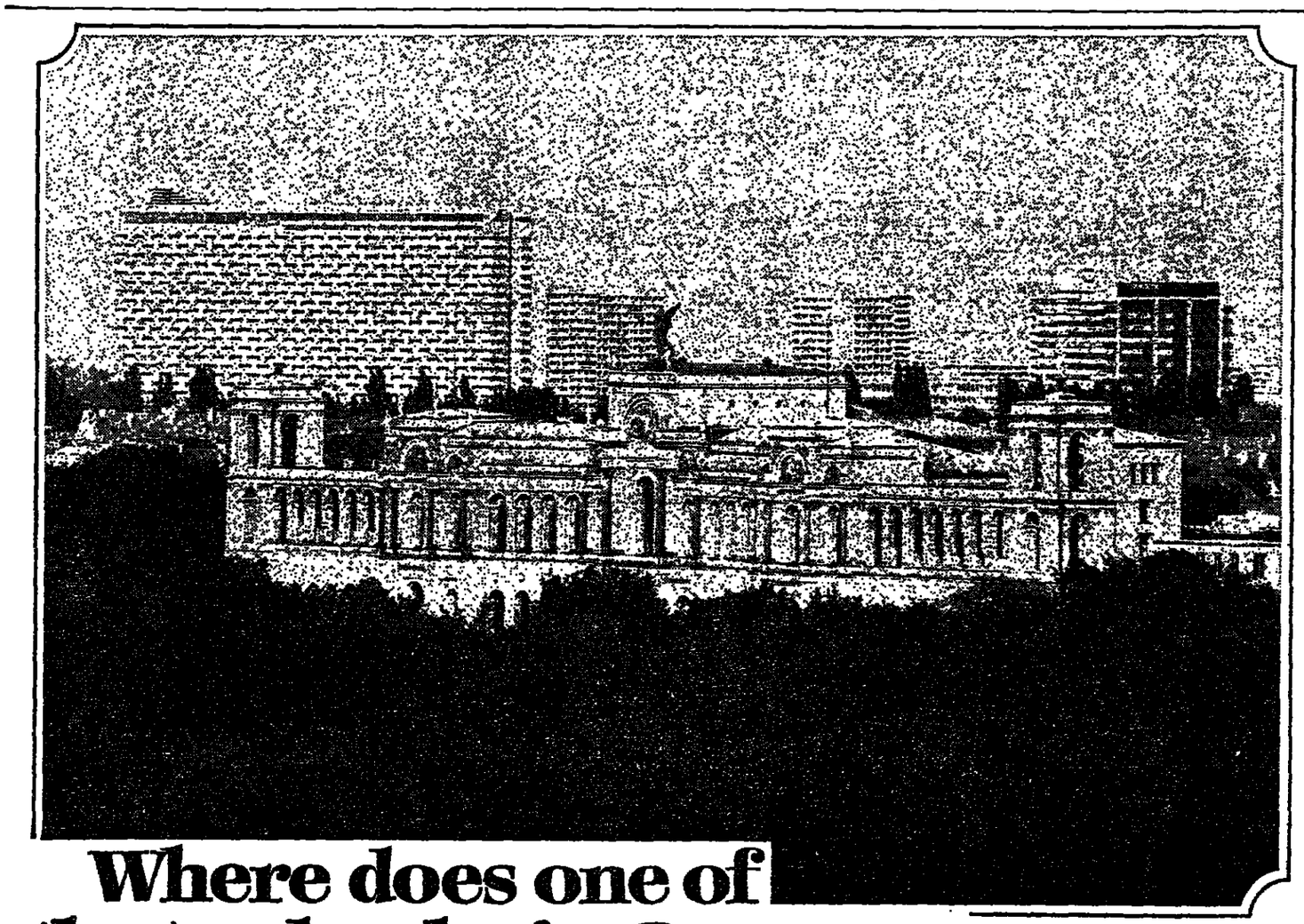
According to a survey Deutsche Bundesbank, the c operative banking sector in Ge many has enlarged its mark share to 14 per cent in 1975 fro 9 per cent in 1965. The syste has 19,500 offices and total u consolidated assets of more tha 350 billion marks.

DG Bank itself had total asse of 24.7 billion marks at the e of 1976, compared with 23.3 billi marks at end-1975. Credit volum rose to 15.7 billion marks fro 13.6 billion marks. Consolidat total assets of the DG Ba group, including extensive hol ings in mortgage banks, insuran and leasing, was 35.8 billion mark up from 33.3 billion marks.

"Our basic international ne work is now in place," Mr. Gu hardt said. "On this basis, w can build up our clientele," h said. However, he said the ban probably would want to establis some representation eventually Brazil and Japan, and perha the Middle East.

Mr. Guthardt noted that th bank's assets, while fluctuating the short term depending on th liquidity needs of the syste members, in the long run show a steadily ascending trend. H said the fluctuation in the bank own liquidity doesn't present an problems.

"We've got the funds," Mr. Gu hardt said. "The problem is find a good investment for th funds."



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An Interview With Hans Friderichs, Minister of Economics

(Continued from Page 15.)

ures is brought up more and ore, especially for the steel and xtile industries. What will Bonn to protect domestic industry?

A—Wherever we have disparis in international competition, ere will be problems for industry hich might force structural anges and sometimes also cause olitical disputes. We are, of urse, against every kind of protectionism; we are for open borrs. This is based on the conion that competitive situations e not artificial, that is, distort- by interference or subventions the government. It has to be ssible to fight against dumping erever it becomes apparent. We have indeed problems in e steel, shipbuilding and textile dustries. We have to try to find lutions which take into account interests. This is a difficult d long process, which we have clarify and solve in cooperan, perhaps in the OECD. It mands time and goodwill on th sides, however. That is much tter than taking any protecnist measures.

Q—While 4.5 per cent unemyment is now coming to be acpted in the United States as l employment, your country—hich fluctuates around 4.5 per nt unemployment — considers employment one of its major oblems. But nothing seems to luce your unemployment. Do u think West Germany will ne to accept 4.5 per cent unployment as full employment? do you think that unemployent and underemployment—ice you have almost as many ople on short work weeks as t of work—can be reduced? hat do you expect in this area the rest of 1977?

A—An unemployment rate of per cent which would last nnot be accepted by us. In our inion, this would mean everying else but FULL EMPLOYENT. That is why the reduction unemployment is the MAIN OINT in the efforts of the govrnment's economical policy. This ar, we want to reach a figre under 4 per cent and we ow that this is an ambitious al. We hope to achieve this sed on the economic growth ight by the government, with program for investments in e amount of about 16 billion marks decided upon on March 23, with the help of political measures on the labor market in November 1976 and with tax reductions that are planned.

Q—Strangely enough, at the same time as there is an unemployment problem, there is a shortage of skilled craftsmen. What do you think of this situation?

A—This is a problem which we do not have in all parts of the economy, but only in certain regions and branches. It is right that one has a better chance in the labor market with good training and flexibility. We are trying to increase the sometimes-too-limited mobility of qualified workers by taking special measures in our labor market policy. We promote, with a lot of money, the retraining and advanced instruction of workers, thereby helping to satisfy the demand for skilled craftsmen which is still urgent today.

Q—What will the government do to reduce unemployment for young people, especially since we now have the results from the baby-boom years? In 1980, about 400,000 more young people will be entering the labor market.

A—You are very right. That is why we need new additional possibilities for employment and training. To create such possibilities will be the central problem in economic policy for the years to come. This can only be solved by a steady economic growth and a strong increase in private investments, which alone can bring about the necessary and lasting possibilities for employment. German industry has just agreed to offer more than 600,000 trainee jobs in 1977. The government itself cannot pull rabbits out of a hat, but it has given the necessary stimulation and has initiated steps which are necessary to create a sufficient number of working and trainee positions. The basis, therefore, is a sufficient and lasting growth of the economy, and that will be promoted by our new investment program. First and foremost, without a policy that is free of inflation and that maintains a free-market economy, companies will not have the necessary confidence for new investments in the future.

'I do not see any concrete indications for a new worldwide recession Of course, there are a lot of imponderable things. We have to try, in a common coordinated effort made especially by the industrial nations, to limit the risks in an international economic upswing. The planned summit conference in London will, we hope, promote understanding for this.'

Q—What do you now expect for 1977? Previously, you mentioned a growth in the economy of 5 per cent and an increase in world trade of 8 to 9 per cent for this year.

A—In the annual economic report by the government we assume that the volume in world trade will increase in 1977 by 7 to 8 per cent. Our own exports, according to our experience, should be a little above this figure. This is also the expectation of most of the professional observers of the economic situation. In our own country, we continue to seek an increase in the real gross national product by 5 per cent. We stand by these figures.

Q—What do you think of the dangers of a world recession in late 1977 or in 1978?

A—I do not see any concrete indications for a new worldwide recession. Of course, there are a lot of imponderable things. We have to try, in a common coordinated effort made especially by the industrial nations, to limit the risks in an international economic upswing. The planned summit conference in London, will, we hope, promote understanding for this. That is why we strongly approve of this meeting.

Q—What concrete suggestions does Germany have for the North-South dialogue at the Paris conference, which is to continue this spring?

A—We will endeavor to cooperate in order to achieve acceptable solutions for everybody. That means, to prevent a worldwide control system, which will bring nothing but excessive bureaucracy. But this also means, to secure a fair share in the economical prosperity and appropriate proceeds from the developing countries' products and to give the products access to the markets of the industrial countries.

Q—One criticism of the plans to stabilize raw material prices is that the end result would be to finance rich countries which have raw products, such as the United States, the Soviet Union and South Africa. Is it possible to prevent this?

A—With the system which we have proposed for discussion—it would be possible. It would not be possible with the model for an integrated raw materials program proposed by the developing countries. This is not the least of the reasons for our position in this matter, which I think is constructive and in the interest of the developing nations.

Q—What consequences will arise from the 200-mile fishing limit for West Germany? Does Germany have any recourse to change the conditions and will it seek any?

A—At any rate, the government cannot change this, whether it feels happy about it or not. Within the Common Market, it is therefore only a question of the internal division, of a reasonable arrangement between the individual members.

Q—It has been suggested that in order to stay competitive in the world market, West Germany should change its industrial structure and specialize in certain industries. What do you think of this? In what way, if any, should the government become involved?

A—The market, public demand, has up to now always brought about the necessary specialization. German business has not done badly that way. I believe it will be that way in the future. Therefore, I am basically of the opinion that a structural change is a normal process in which one does not interfere without necessity. In any case, this does not happen from one day to the next. Our economy is sufficiently dynamic to react to a change in demand and competition and to stay competitive in the world market in the future. But I don't exclude special assistance in especially difficult cases, in programs for regions or branches (of industry). But this help must not prevent structural change but rather make it easier. It is almost impossible to make forecasts for branches (of industry), and our government would do well strictly to avoid directing investments of all kinds. Businessmen know more about investments than politicians.

Q—Are the current union wage demands too high for the present state of the economy?

A—Wage demands in most cases tend to be too high. A deciding factor are the transactions or—more important—the charges that arise for the economy and the state from higher wages. It can be said for this year and for the average agreement so far, that the total economic development – which we seek will not be disturbed. With one exception, the agreements so far are within the limits that can be justified from the total economy.

Q—Do you believe that the current wage negotiations will have a negative effect on the willingness of industry to invest?

A—Up to now, this has not basically been the case for business as a whole. I cannot tell you anything concrete about the effects on individual companies. Some may perhaps rationalize more because of higher wages, invest more (in labor-saving machinery). The costs vary a lot from field to field and from company to company, the question of personnel intensity has an important role here. Besides, labor costs are only one part of the total costs for the companies. But wages do not mean only costs. Wages are also purchasing power. And wage increases that are too weak—of course, there's no question of that here—can also have a negative effect on growth.

Q—Efforts are being made to have the new workers' codetermination law (Mitbestimmung) declared unconstitutional. Some say that the least they can expect will be a revision. What is your opinion?

A—There is no reason for this at all. First of all, we have to gather practical experience with this law before we can think about changes. Today, I see no reason to change the law.

Q—One of the most controversial issues in West Germany today is nuclear energy. There have been long and occasionally violent demonstrations at the sites for new plants. You are one of the leading advocates of the need for nuclear plants to supply electricity. What are the reasons for your standpoint?

Some critics say one problem is that the initiative has been taken up by amateurs, by the "Bürgerinitiativen" (Citizens Action Groups), because politicians have not assumed their obligation to be leaders and explainers of such public issues. Do you think you are fulfilling this role and do you think that the political parties are also fulfilling their roles? Do you think the "Bürgerinitiativen" have become too powerful in this question and lack essential technical knowledge?

A—Certainly a great many lack sufficient technical knowledge. We, the politicians, are for the most part not atomic energy physicists. We need nuclear energy because our need for energy is growing despite strong efforts to conserve it and we cannot make ourselves even more dependent on the energy supply from OPEC oil and thereby become more vulnerable. The fossil energy sources are going to end. At the moment, we do not have any realistic alternative to replace nuclear energy, to cover future needs and close the gaps in supply. Of course, there should be no compromise on the safety of the public, which comes first. However, there is still a lot to do in this field as far as the appropriate information is concerned. We will have to face this task. With the basic values of an energy program, which we decided upon in March, I hope the government has again fulfilled its role as a leader in a very clear way, understandable for everybody. The political parties are more intensely concerned with the energy problem than in former times. The "Bürgerinitiativen" are not too powerful —but sometimes they have bad friends. For the energy policy, they mostly only say that they do not want coal or nuclear reactors. But they do not say what might happen if we do not have enough electricity in the 1980s. The government has now said what might happen: immense unemployment.

Q—What developments do you expect between the United States and Germany about exports of nuclear technology? First, in the Brazil situation and in general, as an export possibility for Germany in the years to come. Do you expect there will be problems getting uranium from the United States as a result of current difficulties? Will Germany seek other uranium sources of supply and what sources are available?

A—We have explained again that we are always ready to cooperate in international agreements about additional security measures in the export of nuclear technology and there is nothing to be added to this statement. But we must adhere to contracts that have been concluded and we will do so. Even the U.S.A. will understand this. To export nuclear reactors is a legitimate thing.

It is not up to the government to decide where German companies will buy the uranium they need. This we leave up to the private sector, which is better able to decide about that. I would not see any disadvantage in a healthy competition among uranium suppliers, however.

Q—It has been said that in West Germany's economy, the time for big steps and expansion is over. What is your opinion?

A—If by big expansion you mean economic growth, I would state that you are right at least as far as the predictable near future is concerned. Total economic expansion rates of 7 or 8 per cent certainly belong to the past. We do not need them, however. Population growth in Germany demands an annual expansion rate of an initial 4 1/2 to 5 per cent per year; in the '80s, it could be slightly less. Advanced innovations will continue to exist in the future, and nobody can tell whether they will be as concentrated and revolutionizing as in the past 40 years.



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Trade Surplus Helps Bolster a Strong D-Ma

By George Lanham

FRANKFURT, (IHT).—Top foreign exchange dealers and analysts here do not expect much change this year in the U.S. dollar-Deutsche mark rate. Rather, the world's two strongest international currencies should remain steady in what is increasingly regarded as the benchmark rate in a world of floating currencies.

The Deutsche mark itself, after appreciating almost 15 per cent in value during 1976, is likely to see a further appreciation of only 3 to 4 per cent against other currencies this year.

Deutsche Bundesbank's trade-weighted index measuring mark appreciation since the end of 1973 showed the West German currency up 14.5 per cent at the end of 1976 compared with the end of 1975. This included 11 per cent appreciation against the dollar, a 21.9 per cent appreciation against the French franc, a 32 per cent appreciation against sterling and a whopping 42.3 per cent rise against the Italian lira.

But already since the end of last year, the Deutsche mark, still on the basis of end-1975, was only 13.9 per cent up at the end of March, including a rise of 9.7 per cent against the dollar.

Analysts and dealers now expect the dollar, which reached a high of 2.6252 marks in 1976 official Frankfurt trading and a low of 2.3565, to trade between 2.35 and 2.45 marks most of this year. So far this year, the U.S. currency has traded between a low of 2.3403 marks on Jan. 4 and a high of 2.4322 marks on Jan. 26.

The Consensus

In the shorter term, most dealers are looking for a slight decline in the dollar from its current 2.38-2.39 level. The staggering size of record monthly U.S. trade deficits and a lingering uncertainty about the direction of the Carter administration are commonly cited as reasons for this short-term weakness.

But the consensus on both sides of the Atlantic is that U.S. interest rates are bound to move up this year and in about six months this should make itself felt in a firmer dollar. For it is interest rates that provide the chief day-to-day cause for the tidal moves of the large pools of liquid funds that constitute the foreign exchange market.

Another major source of stability is the increased expertise of central banks in directing the market.

This support for the dollar will be at least partially offset, though, by fear of faster U.S. inflation, in itself part of the cause for the rise in interest rates.

More fundamental is the conviction that the United States will achieve a solid economic growth this year, and, despite the temporary uncertainty surrounding the Carter administration, will remain politically a bastion of free enterprise.

On the German side, interest rates are expected to remain stable, so that any increase in the interest differential will come from the U.S. side. Germany's economic growth this year generally is expected to fall short of that in the United States.

Triangle

Meanwhile, the German trade surplus, psychologically and technically the biggest constant support of the Deutsche mark, is expected to remain steady this year following its decline to 34 billion marks in 1976 from 37 billion marks in 1975. The current account—which sets transfer and service payments against trade transfers and is considered by many to be the best indicator of a country's international payments position—is expected to decline to five to six billion marks this year from 7.5 billion marks last year.

A top foreign exchange executive at one of Germany's big three "Grossbanken" conceptualizes the floating rate system as based on a triangle of the strong international currencies—the dollar, the Deutsche mark and the Swiss franc (the Japanese yen would be included in this group but it is too tightly controlled to be considered an international currency).

The chief feature of this triangle, he says, is that the relationships between the three points are reversible. The dollar, which two years ago was at its current levels against the Deutsche mark, rose a bit to its 1976 high and then declined to lows again at the beginning of this year. The Swiss franc followed a similar pattern on a slightly different time plan.

Major realignments between the three currencies will not take place in the short or medium term, this executive says. That seems to be a consensus opinion.

Experiise

Another major source of stability is the increased expertise of central banks in directing the market. The already classic example is the Bank of England's success in stabilizing the pound after its precipitous fall last year. Backed by a heartwarming injection of funds from a variety of international mechanisms and the government efforts to solve fundamental problems, the British central bank has been able to restore confidence in sterling and then keep it from returning to artificial highs by calculated intervention.

Last month, the Banque de France stepped in to stop a budding flight of capital out of the country in the wake of leftist electoral gains. Banca d'Italia made a similar move when violent student riots reinforced continued uncertainty about the lira.

Participants note the market's resiliency, which last year enabled it to cope with major speculative bouts and major currer preciations without sig suspension of trading.

There is some disag about how heavily the bank and U.S. Federal intervene to stabilize the mark relationship. Deale side Germany tend to Bundesbank's powerful everywhere. They say t man central bank has ignated zone for the dol sirous of keeping the D mark strong enough to h port prices down while dangering German expo making the mark too dea

Here in Frankfurt, market participants are to take the Bundesbank word—that intervention is ed only to smooth out moves in the market. Mar ers say the dollar-mark r ship is steady enough on and does not need sub central bank support to e that way.

The Snake

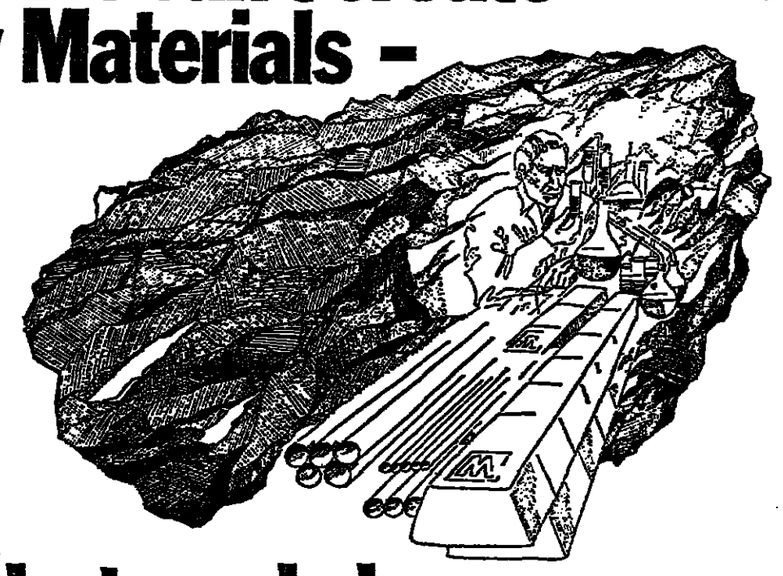
Members of the joint E currency float, the snak to have found the solu avoiding the ruinous spe that caused two major bances last year. The tot expected mini-realignment beginning of this month d the Scandinavian cu months before differing inflation would have market pressure demandi a move and thus forestalle ulation.

Disruptions and instabi main possible, of course, outside of the snake. The ization between strong an currencies increases the that a disturbance in on currency will bring press all of them and set off a of capital into the stron rencies.

Dramatic changes in p or even the weather, pl always unpredictable role i rency developments. "A f exchange dealer these days has to be a meteorologist top executive wryly notes.

Presupposing a continuat existing political circums and normal weather pa though, the probability is the movement of the De mark, and most other curr will be much less dramati year than last.

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Stocks and Funds: Rosy Bull Market Predictions Fall on Deaf Ears

By George Lanham

FRANKFURT (IHT).—Unflappable optimists that they are by definition, stock market bulls persist in predicting a rise in German stock prices despite a full year now of a price level that could be described as stagnant at best.

The bulls say an average 25 per cent increase in company profits in 1976 and the promise of a 25-50 per cent boost in dividend yields from a corporate tax reform that eliminates double taxation on dividend payments must come through in a 10-15 per cent rise in stock prices.

These positive prognoses, in circulation since winter, apparently are falling on deaf ears. The Commerzbank index of 60 major stocks indicates that German stock prices fell 6.3 per cent during 1976. The index registered 27.4 on the last day of 1976 trading compared with 776.3 at the end of 1975.

Despite the rosy predictions, the index fell further to a 1977 low (so far) of 712.5 on March 9, after a short-lived buying spree at the beginning of the year took it to a high of 754.1 on Jan. 10, but by last Friday had bounced up to 760.

Both institutional and private investors are distrustful of the stock market. This year's projections of a price rise are echoes of last year's optimism. Then, the bulls said 1976 would carry forward 1975's recovery. And true enough, a price surge in the first part of 1976 brought the Commerzbank index to 821.7 on March 17, well above 1975's high of 780, even if very well below the all-time high of 1,031.9 in September 1960. But prices declined more or less steadily and surely to a 1976 low of 687.7 on Oct. 29 and only partially recovered by year's end.

So it is understandable that investors are skeptical. The drop in company profits in the 1974-75 recession drove many of them into fixed-interest securities. Without the concrete hope of substantial capital gains in the stock market, they have little incentive to return to shares, which bear a dividend yield about half that of domestic bonds.

In fact, 1976, which was supposed to be the "Year of the Stock Market" was dubbed "Year of Fixed-Interest Securities" after the fact and early indications are that 1977 might be a repeat performance.

Bundesbank statistics show that turnover of domestic fixed-interest securities on the eight German exchanges once again exceeded share turnover in 1976. Fixed-interest paper recorded 27.8 billion marks turnover, compared with 24.9 billion marks for listed shares. This is about the same margin separating the two types of securities in 1975, which was the first year turnover in the fixed-interest sector exceeded share turnover. In January of this year, turnover in fixed-interest securities was more than double share turnover (4.4 billion marks vs. 1.9 billion marks).

New domestic share issues in 1976 were a fraction of new fixed-interest issues. New shares in the nominal value of 2.7 billion marks or market value of 6.1 billion marks were issued during the year. Meanwhile, a whopping 73.7 billion marks nominal in new fixed-interest obligations were sold. Even subtracting redemptions in 1976, the net volume of new issue sales in these securities was 43.4 billion marks.

This switch into the fixed-interest sector took place despite steadily decreasing yields on interest-bearing paper and steadily increasing yields on stocks. Still according to Bundesbank computations, the average yield on domestic interest-bearing securities fell in 1976 to 7.4 per cent in December from 8.4 per cent in January. Since the beginning of this year, it has fallen to just under the 7 per cent level. Meanwhile, average yield on stocks rose to 3.82 per cent by the end of the year from 3.48 per cent at the beginning, corresponding approximately to the decline in prices.

Of course, blue chip stock issues outperformed the average and continued to be sought after, but these have been carrying the brunt of what interest remains in the stock market. The annual report for the Frankfurt Stock Exchange listed Siemens, Mannesmann, Deutsche Bank, BASF and Bayer as the five most actively traded issues in 1976 based on the value of the turnover.

However, trading remains thin (the Frankfurt Exchange indicates that its volume of overall securities transactions is about 7 per cent of that in New York). Reliance on a few blue chips to carry the market puts overall pressure on prices when these falter.

This happened early in 1977, when the two most active issues, Siemens and Mannesmann, came under selling pressure. Siemens dropped from 265.30 marks at the end of 1976 to 245.80 by March 10 as domestic and international controversy about nuclear power plants from its Kraftwerk Union (KWU) subsidiary brought panic selling. Mannesmann fell to 157 from 178 in the same period as the expectation of lower profit led especially foreigners to sell the steelmaking and machine concern.

The decline of these two top sellers was a major reason that the January stock rally was cut short, but there were several others. The disagreement about Germany's growth potential for 1977—estimates ranged from 3.5 per cent to 5.5 per cent real GNP growth—fortified pessimism resulting from lagging capital investment and unstable economic conditions in major trading partners.

Then the giant metalworking industry union, I.G. Metall, began this year's round of wage negotiations with initial demands of 9.5 per cent in wage increases, finally settling for a 6.9-per-cent wage increase and vacation benefits that boosted the cost to the employer to 8 to 8.5 per cent. Because I. G. Metall, West Germany's—indeed, the world's—largest union, traditionally set the pace for wage settlements, the market was concerned as government, central bank and business leaders warned that wage settlements at this level would endanger the official 5 per cent growth target.

Industry leaders continued to complain about depressed profit margins, not only from high wages and benefits, but from high cost of environmental-protection measures, the added burden of an asset tax and insufficient depreciation breaks in their taxes.

The failure of New York or other foreign stock exchanges to generate a steady upward movement accentuated the bleak German landscape.

The stock market bull's trump card, of course, is the corporate tax reform which became effective at the beginning of this year...

The stock market bull's trump card, of course, is the corporate tax reform which became effective at the beginning of this year and does impressive things to dividend yields by giving the shareholder a tax credit on his cash dividend. However, some analysts think that pinning hopes on the new law is premature for this year.

The new law applies to business years that end after Jan. 1, 1977. Because the large majority of German firms follow the calendar year, though, the law will apply for the most part to dividends declared next spring for the 1977 year. This means the shareholder won't report it on his taxes—and so gain the benefit of the tax credit—until 1979.

Moreover, foreigners are not eligible for the tax credit. They will continue to receive only the cash dividend. And because the law increases corporate taxes, many firms will want to cut the cash dividend and so foreign shareholders may actually receive a smaller dividend because of the new law.

The law is complicated, but in effect increases the tax on retained earnings to 56 per cent from 52.5 per cent under the old law, and the tax on dividend payments to 36 per cent from 24.6 per cent, which is why it costs the company more to maintain an unchanged dividend. The difference under the new law is that this 36-per-cent tax on distributed profit is used to provide a tax credit for shareholders. This tax credit is equal to 9/16 (36/64) of the cash dividend.

The end effect is that if the cash dividend remains unchanged, the net dividend to the shareholder will be 56.25 per cent higher than under the old law, regardless of his or her tax bracket. In the case of an eight-mark cash dividend, for instance, a shareholder in the 40-per-cent income tax bracket would receive 7.50 marks (after tax) under the new law, compared with 4.80 marks under the old. Even if a company cuts the cash dividend to maintain retained earnings at the same level, the domestic investor would receive a 25.2-percent higher dividend by virtue of the tax credit.

This obviously puts a company with a large number of its shares held abroad in a quandary with regard to its dividend policy. Siemens, which has 27 per cent of its shares held abroad, has pledged to hold its cash dividend steady so that at least the foreign shareholder won't see a cut in the dividend. This pledge, however, gives rise to the suspicion that the Siemens dividend for the past fiscal year was held steady this year instead of being raised as it might have been under normal circumstances—just so it could be maintained at an unchanged level for 1977. The company paid an unchanged dividend of eight marks per 50-mark nominal share despite a 32-percent rise in net profit. Management board chairman Bernhard Plettner conceded at a press conference in February that the corporate tax reform had played a role in considerations even for last year's dividend.

Ray of Hope

It seems clear, though, that most companies will cut the cash dividend. Degussa, the precious metals and chemicals firm which, like Siemens, ends its fiscal year on Sept. 30, broadly hinted at a press conference in March that it would have to consider cutting its nine-mark dividend to seven marks, pointing out that domestic shareholders would then receive an 11-mark overall dividend because of the tax credit. Juergen Ponto, chief executive at Dresdner Bank and board member on dozens of German companies, caused a ripple in the stock market when he said banks and other companies would have to consider cutting the cash dividend to maintain adequate levels of retained earnings.

There is a small ray of hope for the foreign holder of German shares. As specified when the corporate tax reform was passed last summer, the German Finance Ministry is to negotiate the revision of double taxation treaties to remit part of the coupon withholding tax to foreign investors.

The so-called coupon tax, equal to 25 per cent of the cash dividend, is withheld at the time of payment and for domestic shareholders is applied as a credit toward income tax on that dividend. The German government is prepared to remit at least 40 per cent of that tax, or 10 per cent of the cash dividend, to the foreign shareholder for application on his income tax.

Initial talks with U.S. officials are said to have ended without much success, but most take it for granted that the treaties will be successfully renegotiated. In the event, though, the comfort will be small because the added credit is likely to bring a foreign shareholder's overall dividend to previous levels in the majority of cases where the cash dividend is cut due to the tax reform.

It seems clear, however, that foreign investors interested in Deutsche mark securities are likely to keep their preference for fixed-interest securities rather than shares until a concrete hope of capital gains appears.

Bulls say the price rise must come when the implications of the dividend tax credit "penetrates the consciousness" of the small investor. In the meantime, the fact that the tax-credit dividends won't be available until next spring has apparently penetrated the consciousness of large and small investor alike. Strong demand for domestic public sector bonds in March enabled the federal government to announce a new issue with the watershed coupon of 6.75 per cent. Offered at a price of 99.5 per cent, the bonds yielded 6.82 per cent over 10 years. Even before the official offering period began, though, demand in interbank trading was so strong that the price neared par.

The preference for the secure yields of fixed-interest securities was evident too in the predominance of bond funds last year in the record certificate sales of the German investment funds. Certificate sales of all funds were 4.475 billion marks, according to the Bundesbank, exceeding the previous record of 4.072 billion marks in 1972. Bond-based funds captured two-thirds of this amount, selling 2.783 billion marks worth of certificates, compared with 1.489 billion marks for share-based funds (and a negligible 242 million marks for open real estate funds). The Federal Association of German Investment Companies (BVI) reports a continuation of the trend. Certificate sales in the first two months of this year totaled 1.35 billion marks for 87 member funds, more than double the 1975 level for the like period. Of the total, 1.05 billion marks, or 78 per cent, fell to the 22 bond funds, while 280 million marks were for the share-based funds.

Rude Shock

A further incentive to shy away from share-based funds came with the surprise move of the second largest fund, Deutsche Investment - Trust (DIT), a Dresdner Bank affiliate, cutting its certificate dividends in February by an average one-third. For the group's flagship fund, Concentra, the payout was cut to 1.20 marks from 1.80.

The DIT move came under pressure from the Federal Credit Supervisory Office which doesn't like the German funds practice of paying out not only its ordinary income from dividend and interest but also the extraordinary income from realized capital gains and rights offerings. For the German funds investor, however, spoiled by years of relatively high yields from his investment certificate, the change in policy came as a rude shock. The policy change lent further impetus to buy bond-based funds and as a side effect put a further dampener on the stock market itself.

Commentators generally welcomed the DIT move, though, pointing out that the old payout policy had produced a highly visible yield at the expense of a decline in the certificate's worth. This latter deterioration was obscured by the German investor's high rate of reinvestment (almost two-thirds of fund payouts are reinvested in new certificates). Thus, the investor's overall assets in the fund continued to rise much as they would have if the extraordinary earnings had been retained by the funds even though the value of the individual certificate declined.

While other funds are expected to follow suit sooner or later, some thought the DIT move premature. Other big funds, like the savings bank sector's Deka-fonds, held this year's payout steady to wait and see what effect the corporate tax reform would have on their ordinary income. The presumably higher dividend income following the reform could gradually replace the payouts from extraordinary earnings and maintain greater stability than the disruption following DIT's move.

The funds will receive the tax credit on cash dividends paid for shares they hold. This will count as ordinary income that rightfully should be passed on to the certificate holder. However, the 36-per-cent tax on dividend payouts will once again be levied on the dividend share of a certificate holder, who won't get this tax credit either.

For the German investor, though, it all looks a bit uncertain, even if optimistic. Normally, the private investor rallies to a clear yield advantage and waits for the uncertainties to resolve themselves before putting his money there.

This extreme sensitivity to yield was clearly demonstrated in December, when strong buying pushed the yield of domestic public sector bonds below that of federal treasury bills, and investors rushed to snap up these instruments. New sales of the bills totaled 1.634 billion marks in December and brought sales for the year to 5.022 billion marks. Estimated sales in the first quarter of this year were 1.8 billion marks. The yield disparity between the most recent federal bond issue—6.28 per cent over 10 years—and the Type B treasury bills—7.06 per cent over seven years—finally forced the Finance Ministry to suspend the old series of treasury bills April 4 and replace them with a new series beginning April 12 that cuts yields almost 0.50 percentage points.

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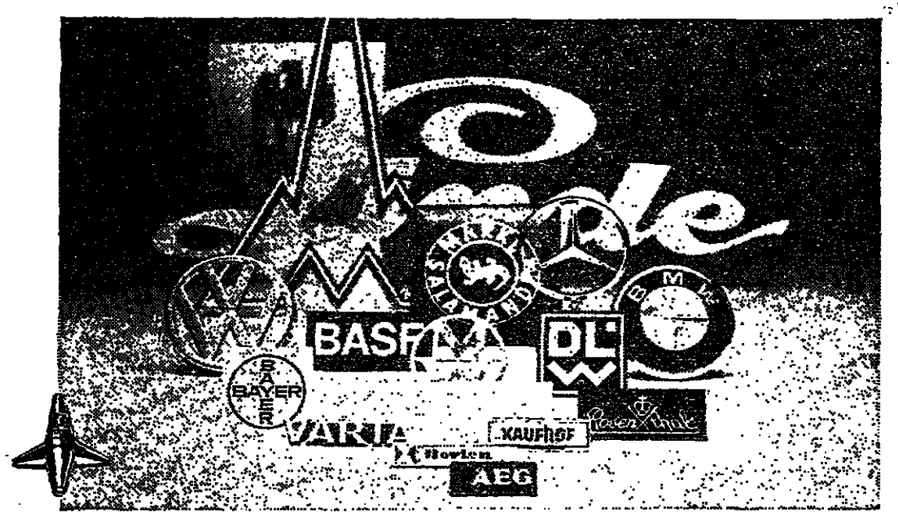
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Sender

The Emphasis Continues to Be on Universal Banking

(Continued from Page 15.)

bank and for its customers. They note that the different cycles in the two types of business enable a bank operating in both areas to smooth out the ups and downs and between the two cycles produce a steady and stable growth. Meanwhile, they say, economies of scale in the information gathering and analysis for both sectors, not to mention the sheer financial resources of a combined institution, enable a universal bank to offer all services more cheaply than banks which have only one side of the business.

Critics of the universal bank say it deadens competition. An industrial customer who goes to just a single institution for financial services may be persuaded he needs a loan (which brings a bigger profit to the bank) rather than a capital market issue, while under a divided system two institutions might have competed to save the customer's money whichever option he chose. On the retail side, critics fear that private customers might be the losers as specialized institutions give up their traditional strengths to become more universal.

The banks answer that competition between universal banks and the different banking sectors is so sharp that the customer is getting the best rate possible. Moreover, they say, different sectors of the bank, established as separate profit centers, compete among themselves and check any abuses. Bankers note that a customer relationship is a long-term affair and it is to the bank's advantage in the long run to give the customer the best deal.

Germans point out that in countries which do not have universal banking—France, Britain or the United States—the trend is toward universality.

But this question of combining deposit and investment banking is different than the one most discussion centers on—the power of banks in controlling industry. This concerns not only direct share ownership by the banks but the banks' right to vote the shares on deposit with them and the presence of top bank management members on many supervisory boards.

The banks answer that only 2.5 per cent of German shares in circulation are owned by the banks and that in only 2 per cent of the cases studied by the Monopolies Commission did the share voting right give one bank a majority vote. Finally, they say, banks are represented on 30 per cent of the supervisory boards but hold only 25 per cent of the mandates on these boards.

The banks add rather lamely that people seem to want all this bank participation. More and more shareholders give their share vote to the bank to exercise and more and more supervisory boards seek a banker's expertise for their deliberations. As to participations, the banks say these are often taken unwillingly to save a firm from collapse or worse—a foreign takeover. Deutsche Bank's purchase from the Flick Group in 1975 of the 29-per-cent share packet in Daimler-Benz to prevent it falling into Iranian hands has become the classic example of this "rescue participation."

Still, last year's Karstadt-Neckermann merger lurks in the minds of some as a suspicious example of "bank power." Neckermann, a large mail-order and department store chain, was suffering large operating losses and needed a partner to avoid bankruptcy. Facing a loss of 400 million marks in loans outstanding to Neckermann, about 40 banks sought a rescue partner. It was announced in July, then, that Karstadt had agreed to take over Neckermann.

It was reported that Karstadt, already the largest department store chain in Europe, was not particularly keen on taking over the problematic Neckermann, which eventually sustained an operating loss put at 225 million marks for 1976. But Karstadt is majority-owned by two banks, Deutsche Bank and Commerzbank, and once the Cartel Office gave its surprise approval in November, the takeover began, creating Europe's even larger largest department store chain, with about 10.5 billion marks in annual sales.

Germans point out that in countries which do not have universal banking—France, Britain or the United States—the trend is toward universality.

The Bank Study Commission impaneled by the Finance Ministry after the Herstatt collapse in 1974 to study possible changes in the German banking system is examining the question of bank involvement in industry as well as the basic institution of universal banking. But the commission, originally scheduled to produce a report this summer, said in February it would need at least another year to complete its study. The Economics Ministry then added that it would reserve its position on the Monopolies Commission statement on bank participation in industry until the Finance Ministry panel makes its report—that is until early 1978 at the soonest.

In short, the discussion once again has become desultory.

Meanwhile, the banks go on doing what they do best—growing and making money. The first wave of annual reports from the banks confirms everyone's prediction that operating earnings in 1976 would fall short of 1975's record levels. A Bundesbank analysis of bank earnings published in November showed operating earnings at 0.85 per cent of business volume, the highest in the period since 1968, against a 0.69-per-cent average proportion over the period and a 0.57-per-cent low in 1971.

Operating earnings—the surplus of net interest income and net commission income over salaries and other operating expenses—are not always reflected in net profit, the Bundesbank notes, and neither profit measure is a perfectly reliable indicator of the bank's earning power. The bank's actual performance is obscured by the formation or dissolution of special silent reserves to create "other earnings" for covering "other expenses" like bad loan write-offs.

Most German banks produce two balance sheets and income statements—one for the parent bank by itself, and another for the domestic group, which includes subsidiary mortgage banks, leasing and finance companies and other credit-related participations as well as the inevitable Luxembourg unit. Taking just the parent banks, 1976 evidenced a continued strong growth in assets with a steady or light growth in net profit.

Deutsche Bank, Germany's biggest bank and sixth largest in the world by 1975 group assets, reported parent bank total assets up 8.7 per cent to 67.4 billion marks, while net profit was steady at 280 million marks, against 281 million marks in 1975. Dresdner Bank's assets rose 11.1 per cent to 53.9 billion marks while net profit rose to 218 million marks from 193.5 million marks. Commerzbank, the third of the three Grossbanken, reported assets up 9.3 per cent to 42.1 billion marks and profit up to 158.3 million marks from 145.5 million marks.

All three of the big banks said that operating earnings dropped 10-16 per cent from 1975 levels as the interest margin fell below 3 per cent for much of the year and cost increases outpaced revenue increase.

Only private sector banks have reported so far. The two big Bavarian regional banks, Bayerische Vereinsbank and Bayerische Hypotheken- und Wechselbank, reported healthy increases in assets. Hypo-Bank profits were up to 74.1 million marks from 63 million marks while Bayerische Vereinsbank profit was steady at 72.8 million marks compared with 72.6 million marks in 1975.

Of course, parent bank statistics only tell half the story. According to consolidated group statements, Deutsche Bank, for example, had consolidated total assets of 105.4 billion marks at the end of 1976 up from 91.5 billion marks at the end of 1975. Dresdner Bank, by the same reckoning, had consolidated total assets of 84.98 billion marks at end-1976, against 74.1 billion marks the previous year.

German banks do not publish "world group" figures in the manner of industrial companies like Siemens and Mannesmann. Bank heads say their true networks abroad are still too thin to talk about a world group. "We just don't have a big Mexican or Brazilian plant like VW or Daimler," a top bank executive told journalists following a recent press conference, "so a world group balance sheet is premature."

German banks have been reticent about international involvement in the post-war period. For one thing, they had their hands full through the 1960s, just growing along with the German economy and building up their branch systems throughout the country. Then the initial push outward by the Grossbanken was channeled into ambitious alliances with comparable European banks which were oriented to an integrated Europe.

Foreign Expansion

While the Germans will not say they have given up on the immediate usefulness of these alliances, their goals within these groupings have been set a good deal lower and most German banks are taking the "complementary" step of establishing their own presence abroad rather than rely just on a consortium presence.

Deutsche Bank opened its London branch in the middle of last year and transformed the Tokyo branch of its overseas banking subsidiary into a branch of the parent bank. Dresdner, which explicitly follows a more aggressive branch policy, now has branches in London, Singapore, Tokyo, New York, Chicago, Los Angeles and representative offices all over. Commerzbank this year became the first German bank to open a branch in Brussels and will open a Tokyo branch later this year.

Nor is the movement c to the Grossbanken. Westd Landesbank Girozen (WESTLB) also opened a branch early this year. ische Vereinsbank, BHF DG bank, and the trade Bank Fuer Gemeinwirtsch have strong international e ments.

The expansion reflect growing weight of Germ the industrial and dev world and the established st of the Deutsche mark world monetary system. expansion has concentra the United States, East As Europe.

Establishment in the States is seen as essential vicing German industrial c ers expanding their own tions in the North America ket. Also, the German want to cut in on the U.S. multinationals and they their long experience wit eign exchange gives them petitive edge in the brav floating-rate world as w added strength from their versality."

The move to the United was lent some urgency b threat of pending legislatio would limit the interstate b ing of foreign banks in the way U.S. banks themselve limited, as well as forced c ture of securities subsic Reckoning with a grand clause in the final legislatio German banks rushed to get branches opened while fi the restrictive legislation tense lobbying with their pean partners and Am allies.

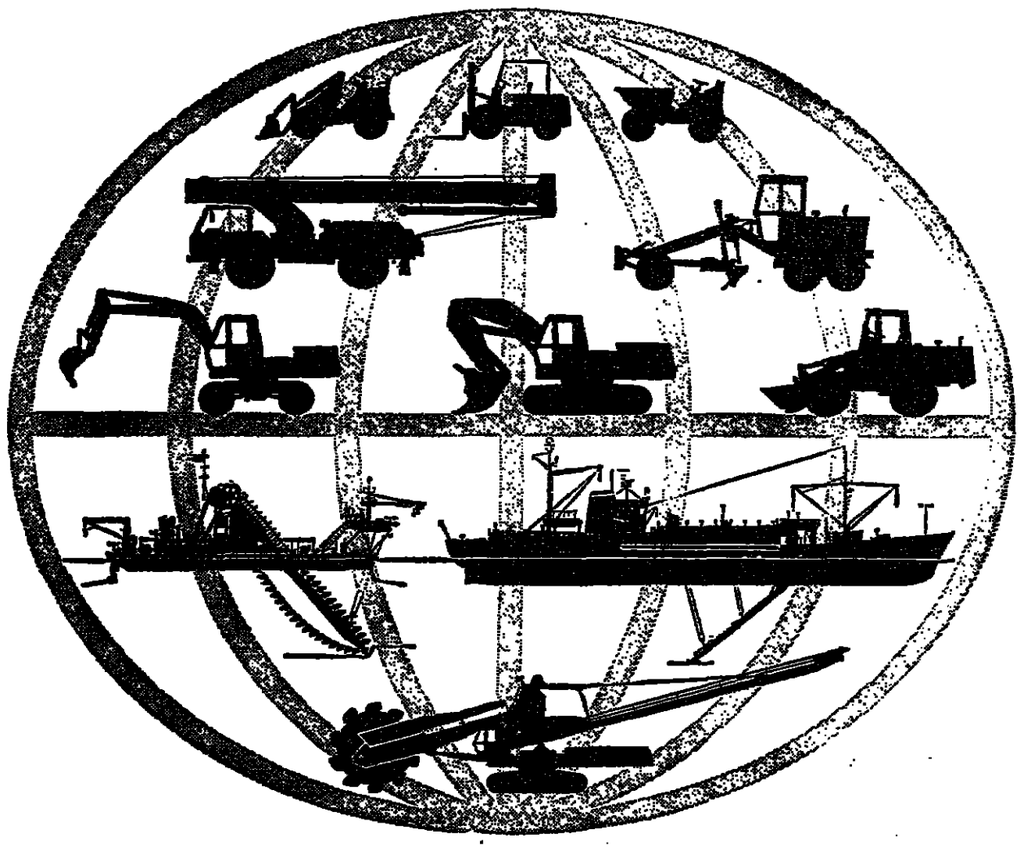
In East Asia, German ba see a veritable Garden of Ed countries like Malaysia, has tremendous natural reso and growth potential and or no foreign debt. Tokyo be a focal point because of Ja dominating role in the a economy and the conviction Tokyo itself will become a important international finar center.

Some German banks are l ing above all into their own b yard and are pushing to se a branch network in Europe bank. Commerzbank has a br in Paris in addition to the one in Brussels. Deutsche B is to open its Paris branch sh ly.

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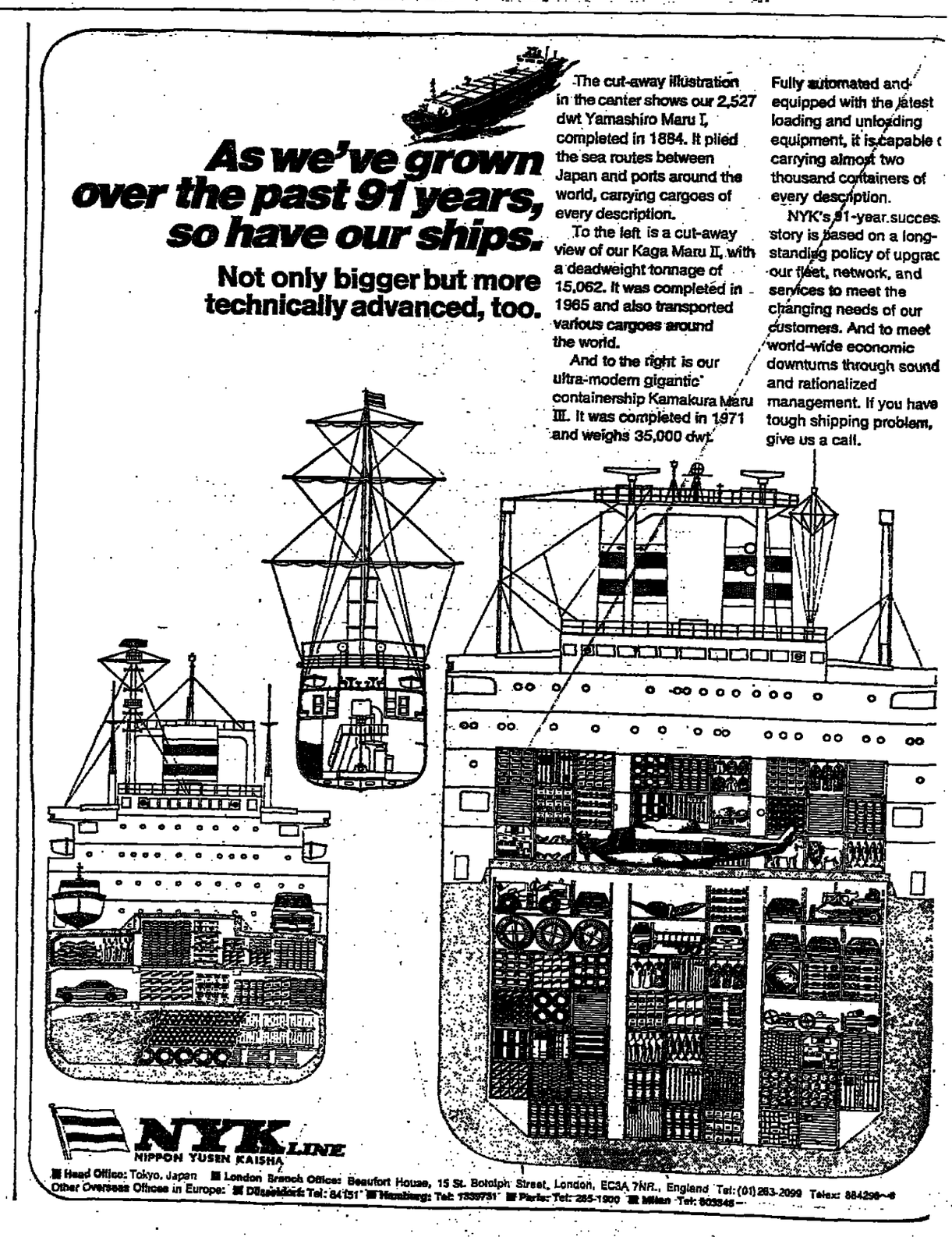
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A Top German Banker Discusses the Eurobond Market

By George Lanham

FRANKFURT (IHT).—"This year has a good chance of surpassing 1976 in Eurobond volume," Wilfried Guth, one of Deutsche Bank's two co-chief executives, said in an interview. The bank's statistics put last year's record Eurobond volume at the equivalent of $17.7 billion, up dramatically from $10.1 billion in 1975.

And Mr. Guth should be in a good position to know what the outlook is because Deutsche Bank tops everybody's list as lead manager in terms of the monetary volume of issues managed. Deutsche Bank's predominance in the Deutsche mark sector and its aggressive marketing of large-rated borrowers in the dollar sector make its top position fairly secure.

But Deutsche Bank isn't alone among the West German banks in its strong engagement in the burgeoning international capital market. Institutional Investor's ranking of Eurobond lead managers for 1976 puts Westdeutsche Landesbank Girozentrale (WESTLB) in fifth place, Dresdner Bank in tenth place, and Commerzbank in twelfth place.

Dollar Issues

The weight of the German banks in the Eurobond market has its origin in the rule restricting lead management of Deutsche mark foreign bonds to German banks and the constant proportion of DM issues in the market, ranging between one-fifth and one-third of issue value. However, the movement of Deutsche Bank and other big German banks into lead management of dollar issues indicates that the Germans won't be content to base their role in the market just on their own currency.

"We made a conscious decision two years ago that relying on the Deutsche mark couldn't last," Mr. Guth said, "and we set out very deliberately to develop placing power in dollar bonds." Rather than take leftovers from the leading Anglo-American dollar managers, Deutsche Bank cultivated relationships from the first with triple-A-rated borrowers.

Mr. Guth conceded that the bank is ambitious in the matter of its borrowers and would continue to be so, because Deutsche Bank's lead in the market depends on it. "Once you're at the top," he said with a smile, "you naturally want to stay there."

Deutsche Bank engineered a couple of impressive coups last year in the dollar sector. At the beginning of the year, Deutsche Bank managed the premiere issue of the EEC—a whopping three-tranche issue totaling $800 million and 500 million marks. Later in the year, the German bank beat out Morgan Stanley to lead a $300-million issue for Australia.

Key Issues

Already this year, Deutsche Bank has led a three-tranche issue for the European Investment Bank, originally planned to total $150 million, but raised to $175 million when the shorter-maturity tranche proved to be exceptionally popular with investors. An issue for Ontario Hydro earlier this month likewise was raised, to $125 million from a planned $100 million.



Dr. Wilfried Guth

"The Eurobond market has matured and should continue to grow," Mr. Guth said. "While maturities in the dollar sector will never be able to match New York's, the market has grown to handle the large denominations of the U.S. market."

Mr. Guth noted that many governments and other borrowers who used to borrow only in New York now go to the Euromarket as well, or sometimes to both, with the so-called "Yankee bonds" that are sold abroad and registered with the SEC for sale in the United States.

"The critical issue for the future of the market is inflation," Mr. Guth said. "It may happen that an economic boom would set off another round of inflation that could cause the Eurobond market to collapse" as it did in 1974.

But Mr. Guth said even in the event, the bad year would be an exception and the Eurobond market would recover and continue to grow. Moreover, he said, it was unlikely that inflation fears would slow down the market this year because economic recovery was still too shaky to be called a boom and central bank authorities in the United States and Germany are carefully controlling monetary growth to brake any inflationary tendencies.

In 1976, mark-denominated Eurobonds made up 19 per cent of total issued value (according to Deutsche Bank reckoning), compared with an unusually high 30.8 per cent in 1975. Dollar-denominated bonds represented 50.6 per cent of total value, against 30.7 per cent in 1975.

"The proportions in 1976 were about right for currency denomination," Mr. Guth said. "The dollar sector should be about 50 per cent and the Deutsche mark sector 20 per cent with other currencies, primarily the Swiss franc, taking up the remaining 30 per cent." He added that a 30-per-cent share for the mark was abnormal.

Mr. Guth said it might be true that borrowers can be put off from Deutsche mark issues by the tendency of the mark to appreciate.

"But this is something we've had for years, and it doesn't seem to have stopped at least some from coming to the DM-Eurobond market," he said. Enough borrowers apparently figure that mark-denominated bonds are enough cheaper—coupon rates are generally 1 per cent lower than on comparable dollar issues—to justify the risk of currency exposure, Mr. Guth explained.

Regarding the imminent arrival of the first international yen-denominated bond, Mr. Guth said the role of the yen in the Eurobond market would remain limited for quite some time because of limitations on the currency itself and restrictions imposed by the Japanese on international yen issues.

The dominating role of the German and Swiss banks in Eurobond management commonly is attributed to the "placing power" of a universal bank. This refers above all to the network of customers and liquidity the bank can offer because of its commercial activities. It also refers to the ability of these huge banks to give new issues "temporary" support at the beginning, as well as follow-up support in the secondary market. Some question how "temporary" the initial support is and continue to suspect that much of the paper finds its way into the bank's own portfolios.

Mr. Guth was quite firm on this point, though, in regard to Deutsche Bank policy. In principle, he said, none of the issue is kept and the matter is strictly controlled at a top management level. Regarding the temporary initial support, Mr. Guth said, "Six months is already a long time."

The Deutsche Bank executive said the bank's role as a middleman in the bond market is why the Eurocapital market can continue to grow after the Eurocredit market, where banks are the actual lenders, might reach the limits of permissible risk. Of course, he said, the ultimate lenders in the bond market, the investors, might stop buying paper from certain borrowers, but the generally higher quality of capital market borrowers lends a certain support to continued growth of the Eurobond market.

Statistics

Bundesbank statistics list the volume of new mark Eurobond issues and placements in 1976 at a record 8.7 billion marks, compared with 7.5 billion marks in 1975. Issuing volume reached a peak in the spring, with 1.3 billion marks of new issues in April and 1 billion marks in May, before dropping precipitously to 200 million marks in June and recovering to 1 billion marks again in December.

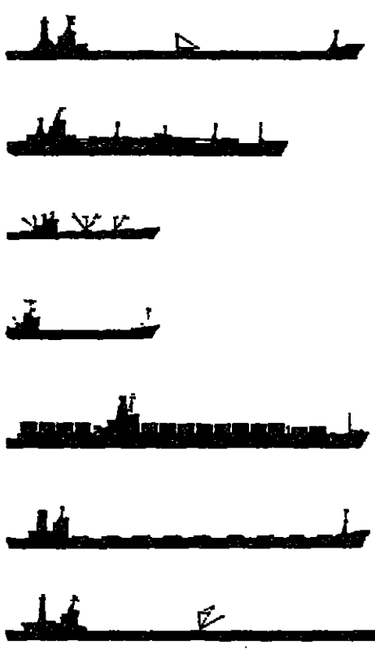
Meanwhile, the average yield of mark Eurobonds, computed on a weekly basis by the newspaper Die Welt, fell a full percentage point from 8.35 per cent in mid-1976 to about 7.25 per cent in March of this year. This compares with 8.55 per cent at the beginning of 1976.

The strong market continued from December last year into January, when the new issues totaled 950 million marks. The market paused to digest these issues so that bonds actually brought to the market in February totaled a paltry 250 million marks as at least 400 million marks of new issues were postponed or canceled.

Demand revived in March and new issues came to 1.3 billion marks, as issues of every sort were snapped up while managers matched terms to borrowers with remarkable success.

The amount scheduled for April is said to total a staggering 1.5 billion marks, which would constitute a monthly record if all issues and placements are actually carried through.

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Foreign Banks Cashing In on a Strong Economy

By George Lanham

FRANKFURT (IHT).—They have come from Europe, Asia and the Americas in droves. Big banks and some not so big have set up branches or offices in the Federal Republic to cash in on the West German economy, its burgeoning trade, and more recently the strength of the Deutsche mark and the growing importance of international credit and money markets. They came, and are still coming, primarily to West Germany's financial capital, Frankfurt.

The latest tabulation of the Deutsche Bundesbank lists 51 foreign credit institutions with a total of 92 full branches in West Germany. In addition, the German central bank lists representative offices for 110 foreign banks and cautions that this list probably isn't comprehensive because banks don't have to register representative offices with the Bundesbank. Moreover, there are a sprinkling of subsidiary banking corporations, which are wholly or majority-owned by foreign banks. A Dresdner Bank study compiled in mid-1975 finds 49 foreign bank branches or subsidiaries established in Frankfurt and another 82 with offices here.

Given the fact that German banks are certifiably competent to serve every conceivable banking need for German individuals or companies, the obvious question arises—what do all these foreign banks do in Germany? The equally obvious if facile answer is that many of them don't do anything much of the time.

Serious Business

For some, like the smaller American banks, establishing a Frankfurt branch can be a defensive action. They want to be on hand to help a hometown customer who has operations in Germany. For others, it is convenient and relatively inexpensive to have their own office on the scene for handling commercial transactions or funneling prospective customers to the parent bank. While these functions could be performed by correspondent banks, a Frankfurt address adds a certain luster to a bank's letterhead. Also, a representative can apprise the home office of significant developments in Germany.

For a hard core of the foreign banks, though, working here is a serious business. For the big American banks, the German operation is an essential link in providing worldwide service for their multinational customers. American or other, for European, Middle East and Japanese banks, it is also a question of getting a slice of the trade financing.

Bundesbank statistics show the business volume of foreign bank branches at the end of 1976 stood at DM 35 billion. This is a fraction of the 163-billion-DM business volume listed for the Big Three "Grossbanken" (Deutsche Bank, Dresdner and Commerzbank), but is more than the 29-billion-DM volume posted for Germany's 113 private banking houses.

Frederick Pettit, Citibank's area corporate officer for Germany and Austria, said in an interview that American banks who came to Germany in the '50s and '60s could offer the benefits of a worldwide banking network to a German company that domestic banks simply lacked at that time. Cash transfer services, multiple currency lending, operational support service—these were appealing to German companies expanding their trade and investment abroad.

"Also, they liked the individual contact with a person inside the bank," Mr. Pettit said. "They liked the internal management coherence and professionalism the American banks showed."

The earlier a foreign bank arrived, the better, Mr. Pettit said. Most German companies would want to do business with just one foreign bank, or at least just one American bank. "It's pretty hard for those who've come in the last few years to break into the market," Mr. Pettit said.

The recent expansion of German banks abroad certainly "has changed the competitive atmosphere," Mr. Pettit conceded, as German banks developed the service capabilities that originally made the American banks attractive. "But we still have a competitive edge," Mr. Pettit said of the big American banks, "because the German banks are facing the same situation in other markets that newcomers here encounter—it's hard to crack an established market."

Citibank, which probably has the largest operation of any foreign bank in Germany, last September consolidated its assets in the country in a share company incorporated under German law. Citibank AG consolidated not only the assets of Citibank's six German branches, but also its 55-per-cent interest in the retail bank Kundenkreditbank (KKB) and the 51-per-cent share in the private banking house Trinkhaus & Burkhardt. The motive was to increase Citibank's lending ceiling following the tightening of the relationship of credit volume to equity base in Germany's new banking law. The law, which became effective last May, limits any single credit to 70 per cent of equity capital and total lending volume to 18 times equity.

The consolidation, which gave Citibank an equity base of DM 460 million, provided the bank plenty of breathing space. Other big American banks took the simpler, if less imaginative, step of hiking allocated capital at the German branches.

Consortium Bank

At the other end of the foreign bank scale is an institution like UBAE, Union de Banques Arabes et Européennes. UBAE, a consortium bank partly owned by a consortium bank, was set up in Luxembourg in 1973 to service financial relations between Germany and Arab countries. The parent bank in Luxembourg handles most of the credit business through the Euromarket as well as taking care of foreign exchange and Eurocurrency dealings. The bank's only branch, in Frankfurt, channels the credit customers to Luxembourg and handles most of the commercial business and securities activity of the bank.

Saffouh Nahas, a director at the Frankfurt branch, said the branch's allocated capital of DM 20 million limits its potential lending business. West Germany's new banking law also limits foreign exchange positions according to equity capital and that's why UBAE's forex activity is handled in Luxembourg.

UBAE is one-third owned by Union de Banques Arabes et Françaises (UBAF)—in turn owned by three French banks and 28 banks in the Near East; one-third by the Arab Bank Ltd. of Jordan, and one-third by three German banks—Commerzbank, Bayerische Vereinsbank and Westdeutsche Landesbank Girozentrale.

Mr. Nahas said that another reason UBAE doesn't stress the lending business is its German operation is because it doesn't want to compete with its German partners. The bank has increased its market share in financing trade between Germany and the Arab countries to about 3.5 per cent in 1976 from 3 per cent in 1974, its first full year of operation. Meanwhile, of course, the volume of the trade itself has been growing.

Mr. Nahas said UBAE intends to expand its involvement in underwriting or selling groups for about 80 Eurobond issues. Mr. Nahas said these are placed almost exclusively through UBAE's partner banks in the Middle East as well as 20 additional Arab correspondent banks.

Citibank's Pettit thinks foreign banks are entering a period of consolidation in Germany. Newcomers are likely to decrease in number, while the bigger foreign banks concentrate on preserving their market share and more specialized foreigners refine and expand their specialities.

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11.2.–19.2.1978	Leisure '78 Camping, Caravaning, Tourism and Boating Exhibition
10.3.–15.3.1978	International Trade Exhibition for Hotels, Catering, Bakeries and Confectioners
28.5.–2.6.1978	Trade Exhibition for Hospital Equipment and Supplies
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Energy: The Government Is Still Counting on Nuclear Power

(Continued from Page 15.)

as actually 5.5 per cent last and a consequent annual ase of 3.6 per cent in prima- ergy supply. The individual ts for each energy source as as the overall target in terms olumes (expressed in mil- of tons of coal-equivalent) percentages are shown in e I. (The October 1974 es- es, as a comparison, are n in brackets.)

revised program, based on asts by three of West Ger- 's leading economic re- h institutes, assumes an in- crease in energy demand for 1980 of 3.4 per cent below the October 1974 estimates and nearly 12 per cent less for 1985.

It is also significant to note that in spite of delays and public obstruction to the nuclear program (which appear to be only partially recognized in the revised estimates) the federal government remains adamant on keeping down oil and, to a lesser extent, natural gas imports, the latter no doubt in the expectation of little increase, if any, in domestic resources.

Forecasts for the distribution of end-use of energy among the main consuming categories are contained in the Table II. The discrepancy between the figures for demand (as in Table I), as above, and end-use is due to the varying degrees of heat loss in conversion, above all in power stations where losses still average around 70 per cent. (Figures again in millions of tons of coal-equivalent.)

The penalties for any further delays or even a complete halt to the nuclear energy plans are spelled out by the government in fairly clear-cut terms.

The annual rise in end-use over the period 1975–85 is calculated at 2.9 per cent, but (for the reasons already indicated), only at 2 per cent in the second five years.

Looking further ahead to 1990, the government expects demand to fall slightly short of the October 1974 energy estimate for 1985. Oil would remain the largest single supplier of energy with a share of 42 per cent of total demand, the gap hopefully to be filled by nuclear electricity, which should by then contribute the volume originally expected in 1985.

The penalties for any further delays or even a complete halt to the nuclear energy plans are spelled out by the government in fairly clear-cut terms. It explains the government's obvious lack of enthusiasm for Pres. Carter's suggested worldwide restrictions on the "plutonium economy."

West Germany's total electricity generating capacity at present stands at 82,000 megawatts, or around 110 million tons of coal-equivalent. To meet the expected demand, rising at an estimated rate of just over six per cent a year in 1985, and also maintain adequate reserve capacity, 33,000 mw capacity will have to be added. Of this additional power station capacity all but 6,000 mw would have to be nuclear, the rest coal-fired.

By 1990, a further 30,000 mw power station capacity would have to be added, taking account of the by then diminishing world resources of oil and natural gas. The bulk of the additional capacity would again have to be nuclear.

Public Protests

At present, West Germany has 13 nuclear power stations with a combined capacity of 6,400 mw. Of 14,300 mw further capacity under construction, three stations with a combined capacity of 4,000 mw have been halted by administrative court decisions following public protests. Site applications, not yet decided upon, have been lodged in respect of four more stations with a combined capacity of almost 6,000 mw.

Considering that nuclear power stations may take six to eight years to complete, from planning to commissioning, a gap of 3,000 to 3,500 mw in 1985 would appear likely even if the court bans were lifted and the further site applications approved within the next 12 months. The gap could be closed only if procedure were speeded up, regulations (which are not necessarily binding on courts) were tightened up or incorporated in legislation and protest abated, partly as a result of greater public awareness of the economic consequences of any further disruption of the energy program.

(The resources dilemma and problems of power station planning are discussed in more detail in separate articles in this survey.)

In its consideration of alternative fuel sources, the government regards the use of domestically-mined hard and soft coal in power stations limited by price (in the case of hard coal), air pollution and possible gasification as a more efficient and economical alternative.

Hydro-electric resources are already being exploited to the limit while other potential sources of energy—sun, wind, tidal, geothermic—are expected to contribute less than 1 per cent to total energy needs during the rest of this century. So oil and natural-gas imports are the only alternatives left to replace shortfalls in the nuclear power program with their inherent political risks and balance-of-payments effects.

To underline its warnings even more strongly, the government statement contains three alternative scenarios assuming delays and shortfalls in the nuclear program and assessing their consequences on both energy supplies and the West German economy in general.

- The first scenario starts from the assumption that only the nuclear capacity already installed or under construction—a total of 20,700 mw—would be available in 1985, a shortfall of around 10,000 mw. It might, with a further slowdown of economic growth and energy savings, delay the day of reckoning, but—according to the Berlin Institute of Economic Research—by 1990 an energy gap of at least 10 per cent would emerge, costing the economy around $5 billion. (nuclear capacity would have to be replaced by additional and less economical coal-fired stations), reducing economic growth from an annual 3.5 per cent to 2 or even 1.5 per cent and sending a further 1.5 million people on to the unemployment register, thus producing an unemployment rate of 8 per cent, twice the present percentage.

- The second scenario assumes no further nuclear capacity beyond the existing 6,400 mw—a parallel to the situation in Sweden—which is the avowed aim of the nuclear demonstrators. Under this scenario the critical stage will have been reached in the early 1980s, with power cuts and rationing in certain areas, particularly those without domestic coal or gas deposits. It should be noted, too, that gaps in nuclear capacity could not be replaced by coal in the short term. As nuclear power stations are generally located in areas without such deposits, distribution and other costs would rise steeply, reflected in higher charges to the consumer—households as well as industry and transport.

But even with a greatly increased coal input in the longer run, the institute—and the government—predict a 20 per cent power gap by about 1990, leading to nil growth in the economy and an additional 2 to 2 1/2 million unemployed, or 10 to 13 per cent of the working population.

A complete halt to the nuclear power program would also, it is pointed out, have far-reaching effects on the energy policies of other nations.

- The third scenario assumes less drastic and therefore less obvious changes in nuclear energy policy but one that seems increasingly probable at a time of mounting obstructions to the program. It assumes the 30,000 mw target to be reached in 1990 rather than 1985, the shortfall to be made good by an increased input of other fuels.

Greater Oil Imports

Oil would have to be imported in greater quantities which, apart from the obvious political risk of trouble in the Middle East or Africa, would also coincide with a decline in the reserves of most major oil producers resulting in a growing world shortage. A policy change would also undermine the credibility of West German attitudes within the European Community and International Energy Agency and run counter to the conservation policies of the oil producers themselves.

Hard coal, while available (domestic reserves stretch to hundreds of years) cannot, according to the government, be supplied economically in greatly increased volume (the validity of this assumption is, to some degree, being challenged by the West German coal producers and the miners' union) and is als. subject to rigid standards of air pollution regulations. As West German producers could not meet the increased requirements, higher imports would be necessary with the attendant risks of political trouble and balance of payments effects.

The experts estimate that the substitution of a 1,300 mw nuclear power station by a coal-fired one would add around DM 300 million ($83 million) to the running costs each year. It would also aggravate the already existing regional disparities for power-intensive industries, such as, for instance, aluminum smelting.

The revised energy strategy is still to be debated in the West German Bundestag (the lower House) later this year. But already Dr. Hans Friderichs, the economics minister, has given notice that the present regulations concerning air pollution would be incorporated in new legislation to give courts closer guidance on standards—and so presumably avoid delays such as affecting the start to a 1,400 mw coal-fired power station at Voerde in the Ruhr which has been imposed by a local administrative court in response to a single objection.

Minister Friderichs is also contemplating legislation which would aim at striking some balance between environmental protection and overall economic considerations. He emphasized the prospect of supplies of oil, at present the largest single source of energy in the West German economy getting tight in the longer term. For this reason alone, nuclear power was essential to bridge the feared energy gap, particularly after 1985 and notwithstanding any further measures to utilize and save energy.

TABLE I/GOVERNMENT'S ENERGY PROGRAM TO 1985 IN MILLIONS OF TONS OF COAL-EQUIVALENT

	1975** VOLUME	%	1980** VOLUME	%	1985** VOLUME	%
OIL	181.0	52.1	216 (221)	50 (47)	226 (245)	45 (44)
HARD COAL	66.5	19.1	72 (82)	17 (17)	73 (79)	15 (14)
SOFT COAL	34.4	9.9	35 (35)	8 (7)	35 (38)	7 (7)
GAS	48.7	14.0	73 (87)	17 (18)	87 (101)	18 (18)
NUCLEAR	7.1	2.0	28 (40)	6 (9)	62 (81)	13 (15)
OTHERS***	10.0	2.9	11 (10)	2 (2)	13 (11)	2 (2)
TOTAL	347.7	100.0	435 (475)	100	496 (555)	100

*ACTUAL
**FORECAST
***MAINLY HYDRO-ELECTRICITY
BRACKETS SHOW OCTOBER 1974 ESTIMATES

TABLE II/USE OF ENERGY IN MILLIONS OF TONS OF COAL-EQUIVALENT

	1975* C.E.	%	1980** C.E.	%	1985** C.E.	%
INDUSTRY	84.0	35.9	103	36	114	36
TRANSPORT	46.2	19.7	51	18	56	18
HOUSEHOLDS, SMALL USERS	103.8	44.4	130	46	142	46
TOTAL	243.0	100.0	284	100	312	100

*ACTUAL
**FORECAST

Organization of the Sparkassen, Landesbanken/Girozentralen in the Federal Republic of Germany

Public Savings Banks

The German savings banks (Sparkassen) are legally and economically independent credit institutions. They are communal savings banks operated under public law. The business of a savings bank is directed by its managing board.

Their tasks and activities are laid down in the articles, which allow the savings banks to do all usual banking business for their customers. Transactions for their own account are subject to some limitations to secure the deposits, e. g. savings banks are not allowed to acquire securities out of their own funds.

The savings banks offer all services of a modern banking institution. Their services are available to every private individual, every business enterprise and every local authority. The following are the most important forms of business transacted: the acceptance of all types of deposits, credit business of all kinds, encouragement of the acquisition of personal property, settlement of cashless payment transactions and all other types of banking services, e. g. transfers to payees in Germany and abroad, collection of debts, bills and receipts, execution of cheque transactions and issue of cheque cards, purchase and sale of foreign currency and travellers' payment media caring for the need of customers in the field of foreign trade transactions.

At the end of 1976 there existed in Western Germany 650 savings banks head offices with more than 16,000 branches.

Savings Banks Associations

The savings banks of each federal state are united in regional Savings Banks Associations. The tasks of the regional Savings Banks Associations are, among other things, to represent the common interests of the savings banks: to offer information and advice to the members of the Associations in all matters of savings banking; to train staff members of the savings banks and to further their professional education; to examine the handling of business and the balance sheets of the member savings banks. At the head of the regional Savings Banks Associations is the Deutsche Sparkassen- und Giroverband in Bonn (German Savings Banks Association). It is the centralised representative of savings banks interests and corresponds to the savings banks associations on the regional level. It is the spokesman of the savings bank system in the public sphere and also to the Federal Government and parliament. Through its board and committees it influences the co-ordination of the savings banks and Landesbanken/Girozentralen, which are also its members.

Landesbanken and Girozentralen

The 12 Landesbanken and Girozentralen in the Federal Republic of Germany are operating under public law, like the savings banks. The business is directed by a managing board and the general management is supervised by the board of administration.

The Landesbanken and Girozentralen are the central banks of the savings banks. They act as clearing houses for the savings banks' national cashless payments. They hold the liquid reserves of the savings banks within their area of activity and effect the regional balancing of funds among the savings banks. Moreover, the Landesbanken and Girozentralen transact all customary banking business, e. g. granting short, medium and long-term loans to industry, commerce, trade and public authorities; in many cases they provide loans jointly with the local savings banks.

The Landesbanken and Girozentralen are entitled to make issues. They issue mortgage and municipal bonds. In addition to security and stock exchange dealings the services provided by the Landesbanken and Girozentralen include foreign business in all its fields. To an increasing extent the Landesbanken and Girozentralen participate in international money and capital transactions, and, in particular, in the business of international financing.

The Landesbanken and Girozentralen assist the savings banks in their foreign business, for which purpose the maintaining of relations with foreign banks is of particular importance. On the other hand, the extensive network of branches of the German savings banks organization is utilised by foreign banks through the Landesbanken and Girozentralen.

The standard DM travellers' cheques of the German savings banks organization issued by the Landesbanken and Girozentralen and the savings banks show as drawee, Deutsche Girozentralen-Deutsche Kommunalbank, Berlin and Frankfurt am Main.

Building Societies

Along with the savings banks and the Landesbanken/Girozentralen there is a third group constituted by the 13 public building societies. These are institutions specialized in housing finance. Contractual savers with these building societies form their own capital which benefits in Germany from State premiums or tax relief. The building societies grant loans to their customers at favourable rates of interest with which to finance the building or purchase of their own home and land.

Deposits and basic Capital Resources

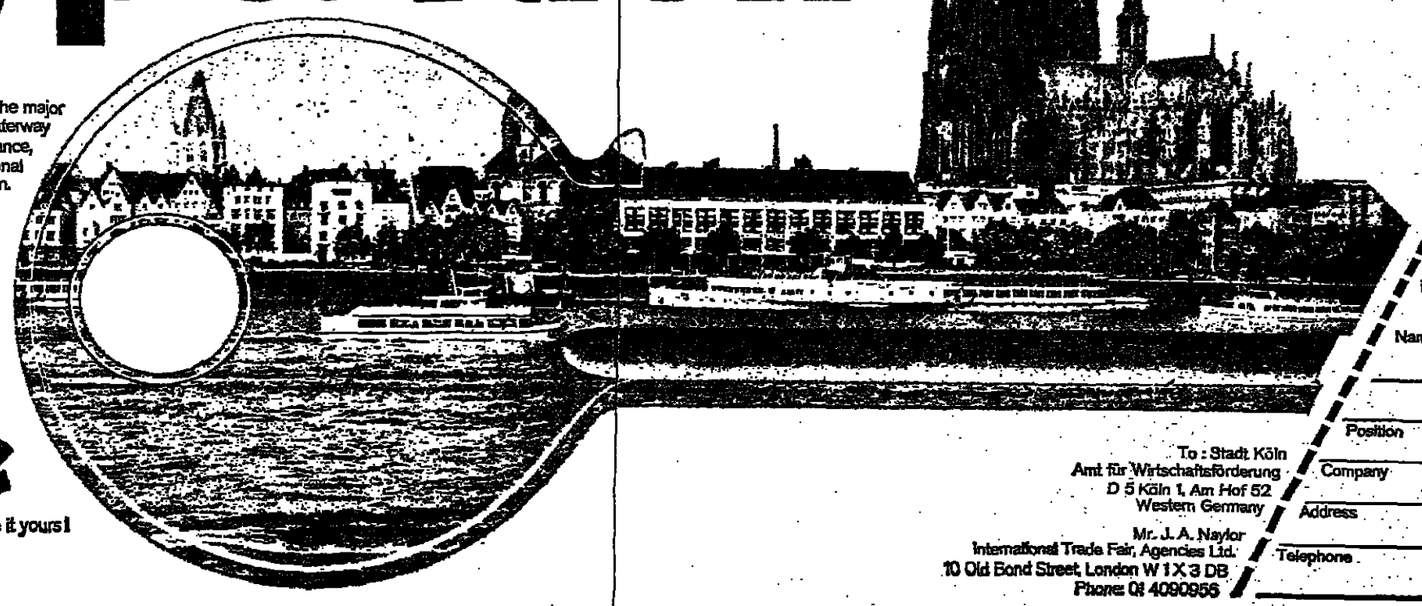
In the Federal Republic there is a well-balanced structure of private commercial banks, co-operative banks and credit institutions operating under public law, with special and general functions. The biggest Group among the credit institutions operating under public law is that of the savings banks (Sparkassen) and of the Landesbanken/Girozentralen. Every single deposit in these institutions is fully backed by a public guarantee. The guarantor for the savings banks is the respective local administration. The deposits of the Landesbanken/Girozentralen are guaranteed by their owners, who are usually the executive of the respective Lands of the Federal Republic and the respective savings banks.

The sources upon which the savings banks draw to set up their own capital is their net profit, after deduction of tax. The Landesbanken and Girozentralen draw their basic capital resources from the allocation of their profits to reserves and from the allocation of the guarantors, i. e. of the respective State Governments and of the regional Savings Banks Associations in those Lands of the Federal Republic. While the private banks are able to set up their own capital in different ways (issuing of new shares, participations) the savings banks are prohibited by law from doing so. The basic capital resources of the Landesbanken/Girozentralen and of the savings banks are modest in comparison with that of the private banks.

But this is not detrimental to their business transactions because the guarantee provided by the cities, communities and states have a net worth function which cover the liabilities of the Landesbanken/Girozentralen and savings banks.

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هكذا من الأصل

An Interview With the Chairman of VEBA

By Andew Hargrave

DUESSELDORF (IHT).—Rudolf von Bennigsen-Foerder is chief executive of VEBA, a leading West German energy group which ranks first in the country in terms of sales and assets and in which the federal government has a 43.7 per cent stake. Mr. von Bennigsen is also chairman of Mineraloelwirtschaftsverband, the West German oil industry's trade association.

In this interview with the International Herald Tribune Mr. von Bennigsen comments on some of the major issues concerning West German energy policy, the oil industry and VEBA itself.

Q—Since the Middle East war, the federal government has made considerable changes in its energy policy, the latest as recently as March 23. Reduction in the share of oil within the total energy supply is to remain; the nuclear program is to be slowed down but its share is nevertheless to rise considerably; energy-saving methods are to be improved; cooperation with other fuel importing nations, particularly within the European Community, is to be promoted, etc. To what extent are these objectives likely to be achieved?

A—While we do not want government guidelines to be too rigid and recognise that these have to be reviewed from time to time in the light of economic circumstances, we do need nevertheless firm guidelines that do not change every two or three years. The industry cannot commit many milliards of Deutsche marks (billions of dollars) in investments without some guarantees.

An example: Power-generation needs substantial reserves to meet peak demand. Oil is ruled out as a fuel in any great volume, coal cannot fill the expected energy gap in the mid-1980s, energy saving has its limits. We must therefore have more nuclear power stations—but, as far as VEBA is concerned, we cannot sanction any further ones while the present uncertainty prevails.

Within the whole framework, however, oil still has an important role to play. Yet, while the government has set firm targets for coal, oil is being regarded as a 'buffer.' The government insists on reducing oil imports and we understand its concern: but it should also state clearly by how much and over what period.

As for cooperation within the European Community, the fact is that there is no consensus among the various governments on energy policy. Until and unless there is such a consensus, there can be no real coordination of individual policies either.

Q—Has the structure of crude oil supply changed significantly since the Middle East war? And will the participation of Deminex, the West German exploration group, in North Sea oil development make any significant difference to the oil supply situation?

A—Oil supplies are adequate, though in general the price situation still gives cause for concern. Oil companies are still making losses on their strictly oil business.

The Deminex group, in which VEBA incidentally has a 54 per cent share, is expected in the long run to obtain about a quarter—12 million tons—of its total supplies from the North Sea. British Petroleum is, of course, already importing crude to Germany from the North Sea, and so will, in time, other companies. So North Sea oil will make some difference, though the major proportion of our needs will still have to be met from other, mainly Middle East, sources.

Q—Has the federal government's aim of influencing the energy market through the creation of a major domestic group such as VEBA/Gelsenberg been a success?

A—We have successfully merged the oil, gas and chemical functions of the two groups as planned. They are now operating as a single unit concluding agreements and contracts. The new group is well on the way to becoming a major West German presence in the world energy market.

Q—Has there been any progress in the joint attempt by several national European oil companies, including VEBA, at influencing the European Commission to set certain ground rules, including the publication of prices, restrictions on refinery expansion and on the imports of oil products, etc.?

A—Our proposals, which are part of normal consultation, were partially accepted by the then Energy Commissioner, Mr. Simonet. Since then, however, a new commissioner, Herr Brunner, has been appointed and we shall continue our dialogue when he is ready to talk to us.

Q—Speaking of refineries, what steps has the West German oil industry taken to change its own structure, especially in view of the steep decline in the use of heavy fuel oil?

A—Action *is* being taken by the industry and new crackers *are* being built. VEBA itself is expanding its cracker capacity by about 1.5 million tons a year by building three new conversion plants including one for the gasification of heavy fuel oil. One must, however, be careful in committing too much money to plant conversion in view of the high capital costs in what promises to be a continuing change in the market.

Q—In view of the decline in the sales of oil and oil products in 1974-75 and only a partial revival in 1976, do you regard the outlook as being more hopeful this time?



Rudolf von Bennigsen-Foerder, VEBA

A—We have to be cautious in making forecasts even for 1977 because of the general uncertainty over economic developments. As far as VEBA is concerned, we hope for a satisfactory result in spite of remaining structural problems. This is borne out by our plans to invest nearly DM 12 billion ($5 billion) in the years 1977-81, 75 per cent of it in the electricity sector.

Q—Speaking of VEBA, how long is its oil business expected to drag VEBA's profitability down?

A—We managed to reduce our losses in the domestic processing of oil last year to eight Deutsche marks ($3.40) per ton of throughput from DM 19 ($8.00) in 1975. Our refineries were operating at an average capacity of 71 per cent and, overall, the volume of oil input, production and sales were above the previous year's level. We are endeavoring to overcome our remaining competitive disadvantages and are commissioning next year cracker capacity of around 900,000 tons as part of streamlining our refinery structure.

Q—To what extent has popular resistance to nuclear power, coal and environmental pollution in general interfered with your long-term plans?

A—As already said, we are planning no further nuclear power stations meantime after Brokdorf on the Elbe whose construction has now been halted by a district court. On the other hand, VEBA is already generating almost 10 per cent of its total electricity by nuclear means, a share which is to double by 1980. But we do not rely on nuclear energy only. In the medium term, we are building two or three coal-fired stations of about 700 megawatt capacity each to avoid a large decline in our reserve capacity. But, as I have already emphasized, in the long term we need nuclear power to avoid a considerable energy gap.

Q—Has the merging of the appropriate functions in the groups VEBA and Gelsenberg been carried out smoothly?

A—VEBA Chemie is now responsible for all oil and chemicals operations. (Together the two groups have a 56 per cent stake in the ARAL gasoline station network, West Germany's largest single gasoline retail chain.) The trading and transportation subsidiaries, Stinnes and Raab Karcher, have on the other hand stayed as separate entities. The merger has, as I have already said, been completed successfully.

Q—Could you comment on a number of suggestions in the recent issue of the magazine Der Spiegel concerning VEBA? The article alludes to a possible stake by Iran and Norway in the group as well as to a restructuring of the entire oil-and-chemicals sector which would, in turn, involve the grouping of oil purchase, processing and trading in one division and chemicals in another to attract outside investment?

A—We have never made a secret of our interest in having good relations with Iran—a country with a lot of crude oil, a well-developed, powerful and interesting country. We have been having operational talks with the National Iranian Oil Corporation (NIOC) for several years, but there are no concrete plans as outlined in Der Spiegel.

We are also in contact with Saudi Arabia, Algeria, Nigeria, Libya and other oil producers with whom we do our day-to-day business.

The same applies to our bilateral talks with Norway. (Mr. von Bennigsen is an honorary consul for Norway.) Nor do we have any concrete plans for restructuring the oil-and-chemicals sector of the group at present concentrated in VEBA Chemie.

Resources: Finding Ways to Close the Energy Gap

By Andrew Hargrave

BONN (IHT).—Self-sufficiency in energy is like winning an economic jackpot. The British are hitting it for the third time, first with coal, then with natural gas and now with oil. West Germany is not quite so fortunate: her home-based energy resources, while by no means negligible, satisfy only between 35 and 40 per cent of total energy needs. By the mid-1980s, if the government's demand estimates—even in their revised form—are anywhere near target, the proportion may well fall below 30 per cent.

As energy decisions take many years to implement (in view of the high capital cost, environmental resistance and complexity of construction), all of the agencies concerned—federal and state governments, public utilities, private suppliers and manufacturers—are anxious to find the right answer to this intricate equation now rather than await the feared energy gap in the shape of power cuts, dim-outs, economic stagnation and large-scale unemployment.

The energy gap, as discussed in other articles in this survey, is of course freely predicted not only for West Germany but for resource-rich countries such as the United States and the United Kingdom (though somewhat later, perhaps) in the 1990s. Although new resources are still being discovered throughout the world and the pace of heat-conversion and energy-saving technology is accelerating, the exploitation-rate of oil has now overtaken the rate of new discoveries. Natural gas is running out at an even faster pace while coal, though available in quantities to last many centuries at the present rate of exploitation, lies in deposits increasingly difficult and uneconomic to tap.

The aim of retaining even a degree of self-sufficiency in energy has, of course, a political edge, particularly for the Germans, who have learned a painful lesson in two world wars and, more recently, in the aftermath of the Middle East war.

Awareness

Consequently the level of awareness of utilizing and conserving scarce energy resources is probably higher in West Germany than in most other nations.

. . . the level of awareness of utilizing and conserving scarce energy resources is probably higher in West Germany than in most other nations.

The country's principal resources are coal, both hard and soft, natural gas and, to a lesser extent, oil and hydro-electricity.

The country's principal resources are coal, both hard and soft, natural gas and, to a lesser extent, oil and hydro-electricity. Reserves of hard coal are substantial and, at the current rate of production of around 90 million tons, likely to last for several hundred years. The soft coal reserves have been boosted by a major find in the Halmbacher woods, near the French border, of some 4 to 5 billion tons of good-quality soft coal (about half the hard-coal heat-value compared with one-third for most existing deposits). RWE, the public utility which owns the deposits, expects first supplies in about ten years, producing eventually up to 100 million tons a year, or almost the amount of the entire current soft-coal output—or more if the higher heat-value is taken into account.

At present, nearly all soft coal is burned in power stations, but the very quality of the new find may lead to a substantial part of it being gasified (a more economic form of heat conversion) or used as chemical feedstock which would reduce the need for imports of oil or oil products.

The dilemma is not dissimilar for hard coal, the bulk of which is at present burned in power stations or coked for steelworks. The current argument over the volume of coal to be burned in power stations concerns the overall amount of coal to be raised, rather than any intention by the coal producers to ignore the prospect of coal being gasified, liquefied, or used as a chemical feedstock. However, to keep matters in perspective, those more economical uses for hard as well as soft coal would make little more than a marginal difference to the total amount of energy demand or to a cut in oil imports.

The discovery of onshore natural gas in Northwest Germany adjacent to the major Dutch gas fields in the 1960s now provides 95 per cent of all home-based gas and has helped to expand the share of natural gas within the total energy supply from 1.5 per cent ten years ago to 14 per cent now and to possibly 18 per cent in 1985.

Nuclear Debate

However, gas experts estimate that the plateau had been reached in 1974 with an output of just over 20 million cubic feet, or 42 per cent of all gas used in West Germany. Production may be maintained around that level for a number of years but, with increasing demand for natural gas, the domestic proportion is likely to fall to under 25 per cent in 1985 and dwindle to a fraction of the total in the 1990s.

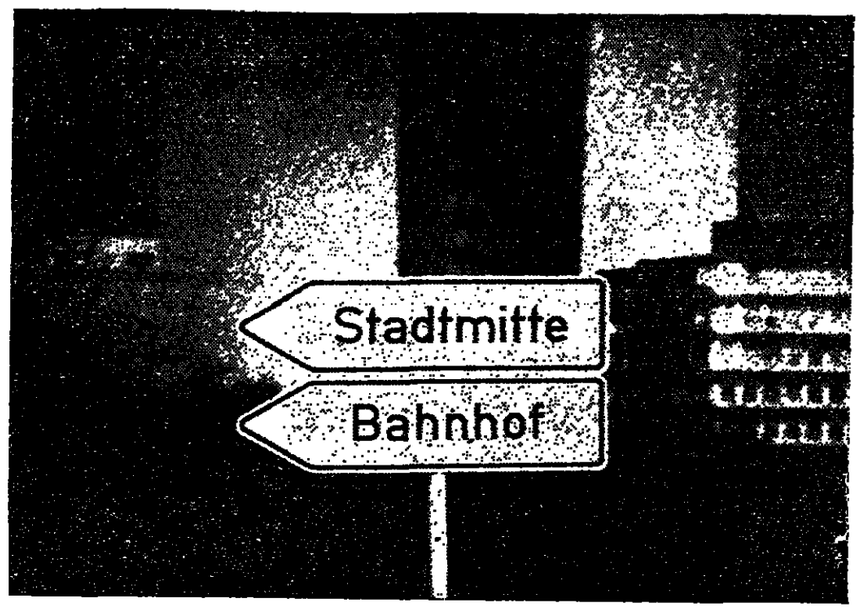
The prospect of diminishing domestic resources in the last decade or two of this century just at a time when the energy situation is likely to get tight throughout the world is perhaps the most effective weapon in the hands of the authorities, public utilities and energy undertakings in their efforts to head off the increasingly vocal and, in many cases, effective resistance to new nuclear and coal-fired power stations.

The pressure on the government to promote legislation binding on the courts, laying down firm standards of safety and permissible levels of pollution is referred to elsewhere in this survey. The ministers concerned, Prof. Werner Maihofer (Home) and Dr. Hans Friderichs (Economics) have already indicated that they would shortly introduce such measures. But legislation, while certainly easing the burden of decision for the courts, may divert opposition to any form of nuclear development into more dangerous and possibly violent channels. The opposition seems to be motivated by politics as much as by a genuine fear of nuclear reactors bursting, radioactivity poisoning the air and the nuclear waste melting the layers of salt in which it is buried.

Although the federal government has scaled down its nuclear targets, it and most experts agree that nuclear power must play an increasingly significant role in the provision of energy, particularly as the base material, uranium, is in ample supply in the politically reliable free world. Yet the fact that West Germany itself lacks uranium deposits was brought home recently with the long delay of much-needed supplies of enriched uranium from the United States for experimental reactors as much as by President Carter's suggested restrictions on reprocessing.

The hitch may (as some commentators have suggested) or may not have had anything to do with the continuing disagreement between the two countries over West Germany's role in building up Brazil's nuclear generation and reprocessing capacity. But it does underline forcibly the significance of dependence on even a friendly country for what may be a basic need for economic survival in the not too distant future.

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SEP	25 – 27	***SPOGA** – International Trade Fair of Sports Goods, Camping Equipment and Garden Furniture
SEP	25 – 27	*International **Garden Trade Fair**
OCT	07 – 09	*International Fair **FOR THE CHILD**
OCT	12 – 15	5th International Exhibition of **Sports Facilities and Swimming Pools** with International Congress
OCT	26 – 31	International **Art Fair Cologne**

1978 1st Half

JAN	17 – 22	*International **Furniture Fair**
JAN – FEB	30 – 03	***ISM** – International Sweets and Biscuits Fair
FEB	15 – 18	***DOMOTECHNICA** – International Fair for Household Appliances, Fittings and Components
FEB	16 – 19	*International **Housewares Fair**
FEB	19 – 21	*International **Hardware Fair** Tools – Locks + Fittings – D-I-Y Supplies
FEB	26 – 28	*International **Men's Fashion Week**
MAR	10 – 12	*International Fair **FOR THE CHILD**

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AUG International Men's Fashion Week · **SEP** »photokina« – World Fair of Photography · **SEP** IFMA – International Bicycle and Motor-Cycle Exhibition **SEP/OCT** SPOGA – International Trade Fair of Sports Goods, Camping Equipment and Garden Furniture · **SEP/OCT** International Garden Trade Fair · **OCT** International Fair FOR THE CHILD · **OCT** ORGATECHNIK incorporating the International Office Trade Fair for Fittings and Equipment

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Coal Investment Program Expanding Despite the Steel Recession

By Andrew Hargrave

ESSEN, (IHT).—The hard-coal industry of West Germany, like its counterparts in other countries, had a confident outlook after Arab oil-exporting nations quadrupled the world price of petroleum, a competitive fuel, following the 1973 Middle East war. But that confidence was shattered in 1975 when hard-coal sales declined steeply and stocks of coal began a fast build-up, peaking at more than 24 million tons in November of last year.

The market collapse stemmed *mainly from the recession in the* steel industry, one of coal's major customers, coupled with stagnation in electricity-generation, which is the other major outlet for coal.

Overall sales recovered slightly last year by 3 million tons to just over 88 million tons, partly as a result of the economic recovery but also because of government intervention. The surcharge to electricity consumers—the *so-called* "coal pfennig"—was increased from 3 1/4 per cent to 4 1/2 per cent and the government also agreed to take *over responsibility* for 10 million tons of coal stocks and so ease the burden of unsold stocks on the industry. But the increase in the supplies to power stations and the state railways (Bundesbahn), which generates much of its own electricity, by 7.7 million tons was partly offset by a further decline in coking-coal sales to both West German and European steelmakers.

'Energy Gap'

To safeguard the home market the industry is engaged in a two-pronged drive on the power-station and steel fronts. The ten-year agreement at present being negotiated with the public *utilities and the Bundesbahn* for an annual supply averaging 33 million tons of coal has the blessing of the federal government, *with the rumored "carrot"* to the customer of the last third being delivered at half the then-prevailing list price. The coal producers' confidence of thus ensuring a steady market for over one-third of the total projected output seems strengthened by not only the downward estimates of nuclear electricity in the short and medium term, but also the risk that even the more modest targets would not be reached because of delays and growing public resistance. (See also other articles in this survey.)

Dr. Karlheinz Bund, chief executive of Ruhrkohle (leading coal producer in the Federal Republic) argued recently in favor *of raising the coal input in the* public network for an extra 6,000 megawatt capacity (equivalent to 6-8 million tons of coal a year) on the grounds that the threatened "energy gap" might be caused not only by a shortfall of nuclear electricity but also by the uncertainty of imported fuels such as oil and, to a lesser extent, natural gas. He claimed that in the three years following the Middle East crisis in the autumn of 1973, the price of imported crude increased by 225 per cent, that of heavy fuel oil by 130 per cent, of imported natural gas by the same amount while domestic coal prices rose by only 70 per cent. Moreover, while hard coal has a share of around 30 per cent in total energy supplies, the cost of coal-based energy is only 10 per cent.

It should be pointed out that not everyone agrees with Dr. Bund. The public utilities, for instance, have drawn attention to the fact that the "coal pfennig" alone costs the electricity consumer an extra $620 million a year while competitors, particularly the oil industry, complain of unfair competition.

The coal industry's reborn confidence is confirmed by an investment program which has, if somewhat unevenly, been increasing *since 1969* (the year Ruhrkohle was formed by 27 individual coal producers, with indirect federal participation), more than *doubling in real terms by the end* of 1975. Ruhrkohle itself has recently announced an investment program of over $600 million, in*cluding a further extension of* underground shafts as well as a "special" item of $190 million in respect of a new large coking plant with an annual capacity of 1.9 million tons of coking coal, proof of the company's belief in the revival of the steel industry.

Serious Problems

Ruhrkohle is also expanding its foreign interests. The acquisition of the Appalachian coking-coal mines has been followed by another of a 45-per-cent stake in the Saxon coal deposits in British Columbia.

Ruhrkohle's partners are Mitsui of Japan (45 per cent) and Usinor, of France, both steel producers. The purpose is to strengthen the company's export potential in the important North American market.

The new surge of investment activity cannot, however, conceal the fact that the industry still has serious problems. Productivity, by far the highest in Europe, has been declining over the past few years (although this was halted last year) and the coal companies are in the process of negotiating a short-time agreement with the unions which in effect means cutting the working year by a fortnight.

Pits are closing and the labor force is being reduced. Employment fell by nearly 6,000 last year to 196,060, which is less than one-third of the labor force 20 years ago. The labor force underground *is now 103,000, which is only just* over a quarter of the 1957 figure. During the same period, output has declined by 60 per cent, but productivity has, in spite of the setback in 1974-1975, increased by 240 per cent.

The decision of the administrative courts to halt on grounds of air pollution the building of a large coal-fired power station at Voerde in the Ruhr (with a ca*pacity of almost 1,500 mw it would* consume 2 million tons of coal a year and provide work for several thousand Ruhr miners) as well as other coal-based stations has certainly been a blow to the industry's efforts to extend its already substantial foothold in the power-generation sector. To some extent, its effect has been mitigated by the partial approval granted only last month to build a power station of *similar size at Bergkamen*, the first of what may turn out to be several such plants to be built by Ruhrkohle in partnership with its electricity-generating subsidiary STEAG.

For this reason alone, the undertaking by the Economic*ister, Dr. Hans Friderichs,* troduce legislation which make air pollution standar gally binding has been wel by the coal industry. "It that we wish to lower t pollution safeguards; we only like them to be define closely and incorporated in lation," a spokesman for t dustry's trade-association sa

An Attempt to Plot the Role of Oil in Energy Strategy

By Andew Hargrave

HAMBURG (IHT).—The profitability or, indeed, the viability, of the West German oil industry has always been difficult to assess. The country is the world's fourth largest user of oil *and oil products after the United* States, the Soviet Union and Japan; last year oil (96 per cent of it imported) contributed 52 per cent to West Germany's total energy. Although the federal government would like to see the share of oil decline to 45 per cent in 1985 and to 42 per cent in 1990, imports would still rise in volume terms.

On the other hand, West Germany is located in the heart of Europe and is served by most of the major international oil companies whose operations take little heed of national frontiers. The losses claimed in the domestic oil sector—as much as $11 per ton in 1975, coming down to $4 per ton towards the end of last year but rising again as a result of the latest OPEC price increase not yet passed on—must therefore be seen in the context of other international and, indeed, domestic operations.

For instance, the Brigitte-Elwerath consortium, in which both Esso and Shell have a large stake, operates most of West Germany's domestic oil and natural gas fields and has benefited accordingly *from the huge price* increases of recent years. The domestic oil giant VEBA is a leading public utility and has two highly successful trading subsidiaries.

West German oil refineries are, of course, running under capacity, averaging 68 per cent last year (62 per cent in the slump year of 1975), but their operations are to some extent coordinated with the international oil companies' other refineries in Western Europe, particularly those in the Netherlands and in Belgium. Much of West Germany's requirements in refined products and feedstock travel along the *pipeline network which links* Antwerp and Rotterdam with the Ruhr, Frankfurt and Southern Germany.

The diversity of operations, associations and interests explains much of the difficulty of leading oil companies in expressing a common attitude or presenting a united front on many of the complex and controversial issues of the day.

Two Memoranda

An interesting example of this dichotomy is the two important memoranda on the question of refinery development, prices, exploration and marketing submitted recently to the European *Commission by a number of West* European producers, but with the notable absence of the U.S. oil majors.

One memorandum originated from French, Italian, Belgian and West German (VEBA) companies, wholly or partly state-owned. It *suggests published product prices*, common refinery and tanker programs, rationalized marketing, joint promotion of exploration and agreed measures for energy saving and pollution control. The memorandum is at present "lying on the table" awaiting the attention of the new Energy Commissioner, Guido Brunner, who happens to be a West German.

The other memorandum has been submitted by some of the above, including VEBA, British Petroleum of the United Kingdom and a couple of West German companies with refinery interests. It echoes the sentiments of the first memorandum at the international level; in West Germany it calls for investment and tax incentives and the lifting of restrictions on heavy fuel oil for *power stations to restore true* competition in the energy market.

In the matter of crude oil imports, the companies pursue indi*vidual policies in line with their* overall marketing strategies. In this field, the federal government's chosen instruments to influence the market are VEBA (which now has the largest single refinery capacity in West Germany) and the exploration company Deminex in which VEBA has a 54-per-cent stake and which attracts an annual federal subsidy of DM 200 million ($83 million).

Last year, West Germany imported 99.2 million tons of crude oil, 10 per cent more than in 1975 but still well below the peak imports of 1973. The main suppliers comprising 90 per cent of all imports were:

In Million Tons	
Libya	21.1
Iran	19.1
Saudi Arabia	19.0
Algeria	10.5
Nigeria	9.1
United Arab Emirates	6.9
Soviet Union	3.3

The contribution from the North Sea, Norway and Britain was only 1.8 million tons last year; but it was only the beginning. Deminex alone hopes to import 12 million tons per year in the 1980s from the North Sea.

While the association agrees in principle that nuclear energy is essential to fill the energy gap looming in the 1980s, it finds no comfort in last month's revised plan simply reaffirming the earlier policy of reduced dependence on oil. The reference to strengthening the West German oil groups of VEBA and Deminex (including the annual subsidies to the latter mentioned above), maintenance of a viable oil processing sector and safeguarding the free market economy is thought by the industry to be inadequate.

There is uncertainty, too, about the extent of change required in refinery structure, including adjustments to compensate for the drop in sales of heavy fuel oil (partly through government restrictions on its use) and consequent conversion of plant to light distillates.

Total investment in new crackers and other plant is r at well over $800 million. It result within the next co years in additional refine pacity of 5 million tons, th ination of existing bottlenec refinery utilization of up per cent compared with las 68 per cent.

The association points ou ever, that West Germany has higher light distillate c capacity than most of its W European neighbors and is ditional importer of gasoli middle distillates—the fact tioned in the context of European pipelines and t Coupled with the continua certainty over the gover oil policies, any further he vestment in plant conver regarded as a high-risk p tion.

Gas Is Playing Increasing Role in Fuel Suppl

By Andrew Hargrave

ESSEN (IHT).—Since the mid-1960s, natural gas has *played* an increasingly important role in the fuel supply of West Germany. Its contribution to total *energy requirements was a mere* 1.5 per cent 10 years ago, rising to seven per cent five years ago and to 14 per cent last year. *In the federal government's ten-*year program that contribution should rise further to 18 per cent by 1985, surpassing the share of coal.

At the same time, it is appreciated in the industry that this ambitious target can only be achieved by increased imports. Currently, more than 40 per cent of the country's gas sales are met by domestic resources which are located in two main areas: the Ruhr-Lower Saxony in the north *and Bavaria-Baden Württemberg* in the south. Within the next decade imports should rise to at least 75 per cent of total con*sumption and sometime in the* 1990s domestic reserves may run out altogether.

In 1985 when, as indicated, gas *should provide over one-sixth of* West Germany's energy, the import structure would look something like this: the Netherlands (already supplying more than the total domestic production) 36 per cent; the North Sea, mostly Norway, 18 per cent; the Soviet Union 13 per cent; and Iran, via the Soviet Union, 7 per cent. Contracts already signed cover 80 per cent of these supplies and, the industry points out, 93 per cent of imports will come from sources *from which West Germany at* present imports little or no crude oil. In other words, the political risks attached to imports are *widely spread, and over half the* total gas requirements in 1985 will be met from sources (the Netherlands and the North Sea) where *the political risks in terms of in*terrupted supplies are slight.

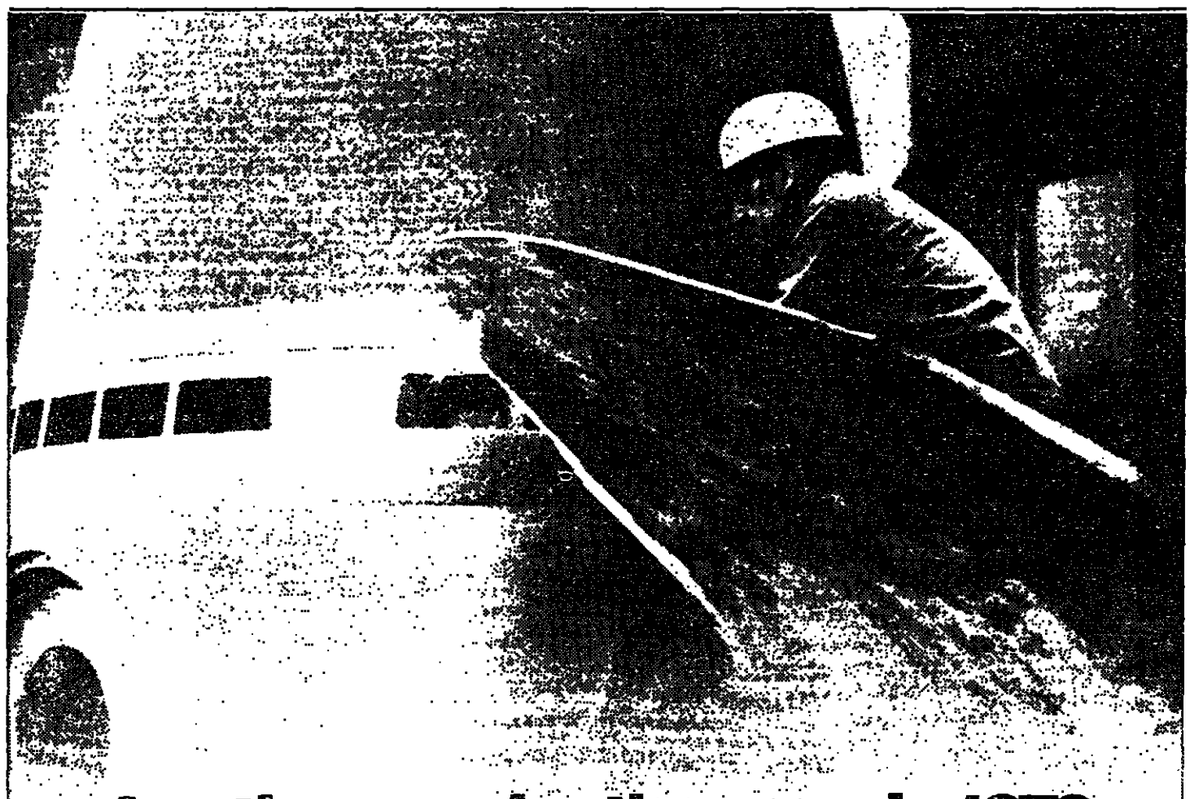
While in the medium term supplies are largely secured, there is a certain amount of concern in delays to imports from the Ekofisk field in the North Sea which should have contributed 5.5 billion cubic feet of gas (about one-ninth of total gas sales last year) in 1977.

West Germany is covere a network of gas pipelines ling 115,000 km., or—as t *dustry points out—twic* length of the electricity ne The Ekofisk-Emden pipeline ready completed.

Altogether the industry h vestment plans totalling I billion ($15 billion), includ extension of the pipeline ne *new storage facilities for* billion cubic feet of gas, ex tion and gasification of boti and soft coal to be couple process heat reactors. The portion of natural gas total gas sales has now ri 90 per cent, with only 10 pe coming from coke ovens.

Of total gas sales, just

(Continued on next pa



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Capital and Reserves 31/12/76	337

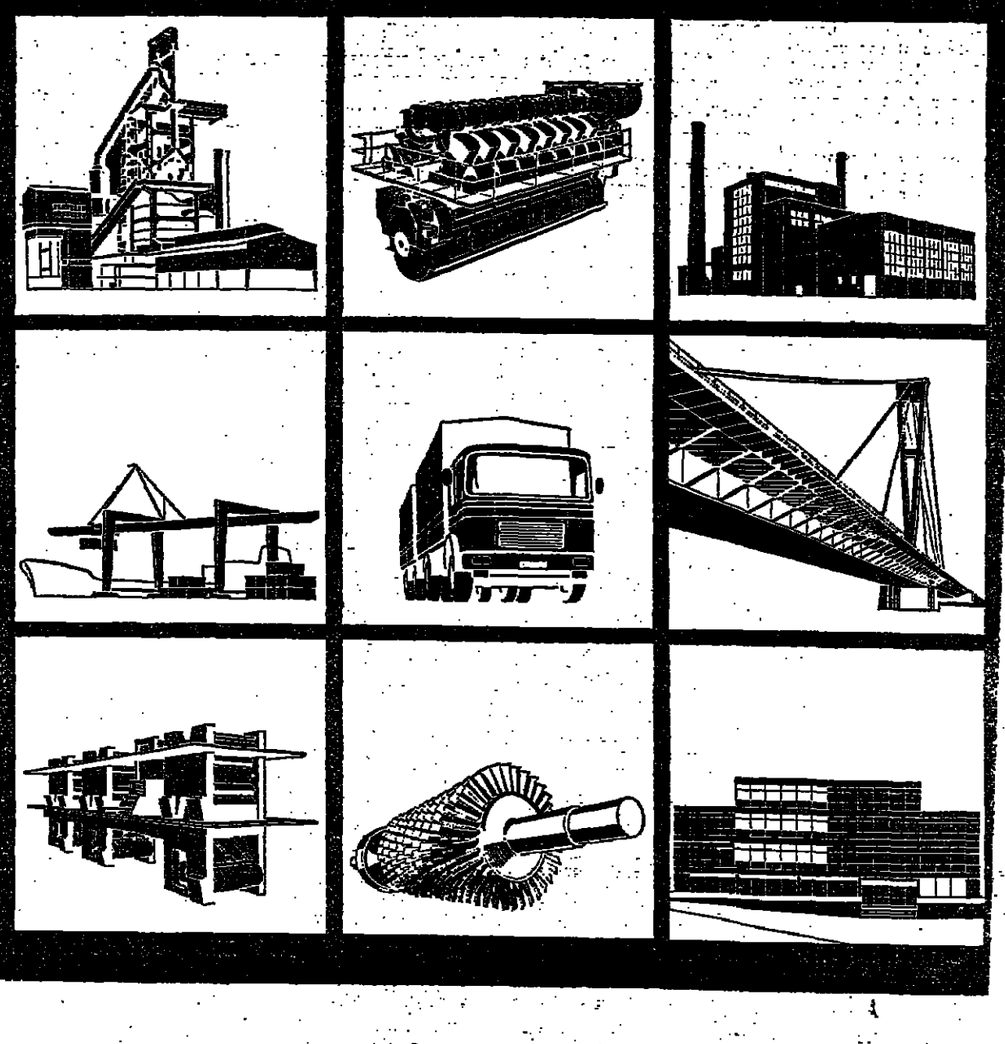
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The Search for Cheaper, Long-Term Energy Supplies

By Andrew Hargrave

BONN (IHT).—Toward the end of this month the federal government will announce its next four-year program for energy research and development, with a total budget of around $2.5 billion. The work will proceed under four main headings—energy saving and rationalization, coal utilization, new sources of energy and peaceful uses of nuclear energy. Although the program is not likely to contain many surprises, it will be given added emphasis by the energy gap looming up in the 1980s, by the pressure for maximum utilization of domestic resources and by the growing resistance to "environmentally unfriendly" methods of providing energy, especially nuclear, but also coal-based.

The bulk of the proposed expenditure will again go toward nuclear research and development which has in the past 20 years absorbed spending of around $7 billion, though only about half of it was strictly energy-related. It will not include the development and building of light-water reactors or waste-disposal plans which is the responsibility of the nuclear power industry: instead federal investment will be concentrated on further improving safety (which has publicity as well as material value) of both reactors and waste disposal. The experimental fast and high-temperature reactors at Kalkar and at Schmehausen respectively will be expanded and further developed and so will international cooperation, particularly with other European countries. West Germans, with less than 30 per cent of their energy expected to be covered from domestic sources in the mid-1980s, are especially eager to get the use out of imported uranium. Because of that, they favor fast reactors, which are estimated to have 50 to 70 times higher utilization of uranium than conventional reactors, and are also partial to high temperature reactors, which have a six times higher utilization factor. Either type would be far more cost-effective as well as less import-intensive in providing energy in the long term.

While the authorities and indeed the public and private energy agencies do not underestimate the long-term significance of alternative energy sources, they see little chance of these being of more than marginal importance for the rest of this century.

In the shorter term it is energy savings and improved resource utilization that promise the largest yields in terms of the government's objective to reduce imported fuel and economize in overall energy use. This is of course an aim common to all energy importers, even those with large domestic reserves such as the United States and the United Kingdom.

The biggest savings can, of course, be made in the areas of biggest demand. In West Germany, 76 per cent of all energy is estimated to go into producing heat, the slightly larger part for space heating, the rest for industrial processes. So less than a quarter of total energy is for light and transport.

Consequently, the highest yield in energy savings may be obtained by cutting heat losses in the home, in the factory and, above all, at the power station, where—especially in the older ones—use of fuel input may be as low as under 30 per cent. It is this heat loss, escaping into the air or the cooling water, that has absorbed much expert attention in the energy-saving field. The potential is still considerable, though expectations have been somewhat lowered in the past couple of years.

At one time, as suggested by Technology Minister Hans Matthoefer, it was hoped that district heating using waste heat from power stations and industrial plants alone could save as much as 80 million tons of coal-equivalent, or over 20 per cent of last year's total energy consumption, by the turn of the century. Although district schemes are still being steadily extended in four densely-populated districts throughout West Germany, their scope is now thought to be more limited, to achieve total savings of no more than 20 million to 30 million tons of saved energy in the next 20-30 years.

As for alternative sources such as wind, tidal, geothermic, sun and nuclear fusion, their impact on the overall energy demand is put at no higher than 2 to 3 per cent by the end of the century.

Other forms of energy savings, such as materials holding or storing heat, energy-saving housing and site concepts, heat pumps (boosting heat from warm water), and heat recovery and storage, also figure prominently in the government's energy plans.

Finally, government-sponsored and private research stations (the latter partly funded by the government) are to continue their efforts to improve the economic as well as energy yield of the main domestically mined fuels, hard and soft coal.

Hope Is That Electricity Will Reduce Dependence on Imported Fuel

By Andrew Hargrave

FRANKFURT (IHT).—The smooth build-up of the electricity network lies at the heart of the federal government's long-term energy plans announced on March 23. Consequently the uncertainty hanging over these plans is mainly due to the delays and public resistance—the two are in many ways connected—to its build-up, particularly in respect to new nuclear power stations.

In electricity lies much of the government's hope to reduce West Germany's dependence on imported fuels such as oil and natural gas; that is why it plans its share of the total energy supply to be increased from 28 per cent in 1975 to 35 per cent in 1985, and at the same time keeping the proportion of home-based fuels such as hard and soft coal as well as nuclear energy as high as possible.

This is how the power industry's association VDEW (Vereinigung Deutscher Elektrizitaetswerke) sees the structure of fuels to public utilities over the next few years in percentage terms (see Table). (Public utilities are responsible for the generation of over 85 per cent of all electricity in West Germany.) It is noteworthy that the public utilities as well as one of West Germany's leading research institutes, IFO, in an analysis published recently rate progress in the use of nuclear power more cautiously than the federal government whose own forecasts put the share of nuclear power in the total electricity supply at 21 per cent in 1980 and as much as 35 per cent in 1985.

In IFO's view "the demonstrations against Whyl and Brokdorf (nuclear power stations halted by district courts), the judgment against the coal-fired station Voerde (building permission refused on air pollution grounds), the black-out of April 1976, criticism by the Monopolies Commission (of public utilities), the revision of energy targets by the federal government and (not least, the new OPEC oil price increases could not fail to have an impact on the future investment plans of public utilities."

Delays to the power station program might cost as much as DM 50 billion ($21 billion) by 1980 while there is "great uncertainty" over the fuel supply structure and location of power stations after 1985, the IFO analysis adds.

The government's target of adding capacity totaling 33,000 megawatts (27,000 mw nuclear, the rest coal-fired) to the existing capacity of 82,000 mw by 1985 is therefore questioned not only by the industry but by outside experts, although the government by spelling out the dismal alternatives to the program (see introductory article) is doing its best to ensure its survival.

However, the fact is that of the 11 nuclear power stations under construction, two (Whyl and Brokdorf) have been halted by court order and the same fate apparently awaits a third one (Grafenrheinfeldt near Schweinfurt), with a combined capacity of 4,000 mw. Approval for site applications for four further stations totaling 6,000 mw is still pending while a major coal-fired station at Voerde, in the Ruhr, (1,400 mw) has also been temporarily stopped. (This station, incidentally, would use up 2 million tons of hard coal a year and keep 10,000 miners in jobs).

Whereas delays in the power station building program over the next few years would entail extra cost to the public utilities which would presumably be passed on to the consumer, their cumulative effect could be much more serious towards the mid-1980s. Indeed in certain areas such as Baden-Württemberg in the south where nuclear power should carry the peak load, the crisis might come sooner, according to Dr. Wilm Tegethoff, chairman of VDEW.

But in the north, too, there is concern. A spokesman of Hamburger Elektrizitaetswerk (HEW) spoke of the prospect of power cuts in 1982/83 if the Brokdorf nuclear station is further delayed.

Could coal fill at least some of the gap left in the power stations' fuel structure by nuclear delays? The hard coal producers' confidence of being able to supply extra coal to the tune of 5,000 to 10,000 mw capacity is not shared by the public utilities. In a recent statement, VDEW warned that not only would coal fall short of meeting even part of the power gap but is already costing the consumer an extra $620 million a year in the form of the so-called "coal-pfennig"—the four-and-a-half-per-cent surcharge to the customer to subsidize the coal producers.

Moreover, replacing nuclear electricity by hard coal for providing base load would further add to the cost of generation. Finally, the association is dubious about the producer being able to supply much more than the 43 million tons a year for which the two sides are at present negotiating a long-term agreement. Should the coal input be stepped up, it would have to be supplemented by imported coal, which in turn would not only lead to a further cost burden but would also be against government policy.

Soft coal already provides about two-thirds of the fuel in the generating stations of RWE, West Germany's largest public utility, which in 1975/76 invested the bulk of its $170 million additional expenditure in opening up new soft coal deposits in Halmbacher Forst, near the French border, containing several billion tons of good soft coal. The first supplies are not, however, expected until the late 1980s and may partly replace exhausted reserves and also serve as basic material for gasification and chemicals.

The Monopolies Commission's report referred to above is also giving the public utilities some concern. The report alleges an "opaque" tariff structure and a carve-up of the electricity market, with three major enterprises—RWE, VEBA and VEW— producing 45 per cent and selling 30 per cent of all power in West Germany. It proposes stronger federal supervision and enhanced competition among suppliers.

(It may be noted two-thirds of the control of the 1,100 or so public utilities is already in the hands of federal or state authorities: a further 13 per cent of the control is mixed and only about 25 per cent control is by private enterprise.)

The utilities not unnaturally reject any suggestion of monopoly, price-fixing and regional carve-up and point out that in all fields except lighting electricity is in competition with other fuels, particularly oil and natural gas. Should the commission's views be reflected in new legislation, they say, it might lead to "regimented" electricity supply which might, in turn, affect investment, amounting to $4.5 billion last year and expected to rise to $5.3 billion in 1979.

FUEL SOURCES FOR POWER STATIONS IN PERCENTAGE TERMS

FUEL	1974* %	1975* %	1976* %	1978** %	1980** %
HARD COAL	32	28	24	23	24
SOFT COAL	22	22	20	19	17
FUEL OIL	15	17	18	17	16
NATURAL GAS	16	17	18	18	16
NUCLEAR ENERGY	6	6	10	13	18
HYDRO-ELECTRICITY, ETC	9	10	10	9	9

*ACTUAL
**FORECAST

Gas Increasing Its Role

(Continued from preceding page.)

quarter is piped to households, the industrial customers, chemicals lead with a 12 per cent share, followed by iron and steel's 9 per cent.

The industry prides itself on its efficiency and challenges the government's plans for the extension of the electricity-based district heating system on such grounds. (See also article on research and development.) In a recent paper of Hans Kremer, of the Gas Heating Institute, argues that while the use of waste heat may reduce heat loss to 50 per cent and district heating to even 35 per cent compared with 65 to 70 per cent wastage in power stations, gas heating already operates at 75 per cent efficiency: in other words, with a heat loss of only 25 per cent.

In concrete terms, Prof. Kremer claims investment in gas-fueled heat supply for a 3,000-unit housing scheme would cost just over $1 million compared with $2.3 million for a district heating system based on electricity.

Moreover gas is less liable to provoke environmental opposition than nuclear electricity.

While liquefied natural gas (LNG) imports are at present small, they may in future, with the increase in import needs, become more substantial. This is one of the reasons why, from Aug. 28-Sept. 1 this year, in Düsseldorf the West German gas industry plays host to the fifth international LNG conference.

Report From Number One Wall Street



Ernst Schneider, Executive Vice President, International Banking Group.
Jean D. Zutter, Senior Vice President, International Correspondent Banking Division.
Peter C. Palmieri, Senior Vice President, International Corporate Banking Division.

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Wolfgang W. Koenig, Vice President International Corporate Banking Group

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Associated Press.

DIPLOMATIC STANCE—U.S. Secretary of State Cyrus Vance (center) flanked by West German Chancellor Helmut Schmidt (left) and Foreign Minister Hans-Dietrich Genscher in Bonn yesterday at their press conference.

Disappointed by Lack of Success

Vance Sees Schmidt, Callaghan on Moscow Talks

From Wire Dispatches

LONDON, March 31—Secretary of State Cyrus Vance, voicing disappointment over the conclusion of his Moscow disarmament talks with Soviet leaders, reported to Prime Minister James Callaghan today on his failure to reach progress with the Russians.

Mr. Vance flew here from Bonn, where he reported earlier to Chancellor Helmut Schmidt.

He told newsmen here, "I was disappointed that we didn't make more progress. But we'll continue to work on the matter."

He confirmed that he and Soviet Foreign Minister Andrei Gromyko will meet again in May.

Mr. Vance said that he will also discuss southern Africa, the Rhodesian question, the Middle East and similar matters with the British.

After checking in briefly at his hotel, Mr. Vance drove to Mr. Callaghan's office. British Foreign Secretary David Owen, who plans to visit Southern Africa next month, was present at the meeting.

Mr. Vance spent about 75 minutes with Mr. Callaghan and Mr. Owen.

Earlier in Bonn, disappointment at the outcome yesterday of the Soviet-American arms limitation talks appeared to have had a shadow on the secretary of state's talks with Chancellor Schmidt.

After the visit, Mr. Vance said, "We merely discussed the overall question of nonproliferation." Most of the four hours he spent with Mr. Schmidt and Foreign Minister Hans-Dietrich Genscher concerned the Moscow talks and world economic problems, he said.

Asked for his reaction to the "breakdown" of the talks in Moscow, Mr. Schmidt replied, "I don't believe the word 'breakdown' is the right description. If I understand correctly," he said, "both our American friends and their Soviet counterparts are of the opinion that this is by no means the end of the road.

"I continue to believe the basic interests of both sides inspire a strong desire to conclude a SALT-II agreement."

Mr. Schmidt told a group of foreign correspondents last night that he did not feel that President Carter's outspoken support for human rights in the Soviet Union had complicated the arms limitation discussions.

"I would say some people have to learn how to interpret these statements," he said. "As for us, as you know, we have articulated our concern a bit more carefully."

He pointed out that through diplomacy, 65,000 to 66,000 ethnic Germans have been permitted to emigrate from the Communist states to West Germany since July, 1975, and said, "We would like the flow of emigrants to continue."

At a news conference with Mr. Schmidt, Mr. Vance said that prospects for a SALT agreement are not dead, although any success "will require some give on the part of the two sides," he added.

Nevertheless, U.S. officials accompanying Mr. Vance told reporters that no new proposals are now being considered by either side.

The secretary of state also defended a long-range proposal to reduce nuclear arsenals and retard development of new weapons. The proposal was rejected out of hand by Soviet leader Leonid Brezhnev as inequitable.

Fair Package

"On the whole," Mr. Vance told reporters, "it was a very fair package. It sought to strike a fair balance and at the same time reduce the number of weapons, and put a freeze on future development."

As outlined by Mr. Vance, the comprehensive proposal seemed to call for cutting off Soviet development of systems already in the U.S. arsenal.

U.S. officials acknowledged that in some respects the Soviet

(Continued on Page 2, Col. 5)

Explaining SALT Rejection

Gromyko Asserts U.S. Aimed for Advantages

By David K. Shipler

MOSCOW, March 31 (NYT).—Soviet Foreign Minister Andrei Gromyko attacked the Carter administration today for making what he called false and unrealistic proposals on arms control in which "the unilateral advantages are given to the United States."

He said that the Soviet Union would not accept a ban on modernization of intercontinental ballistic missiles, as Washington had proposed, and would continue to insist that the U.S. Cruise missile be counted as a strategic weapon and be limited in its deployment. He added that Moscow would stiffen its position and demand some control and liquidation of U.S. forward bases in Europe and other areas within striking distance of Soviet soil.

His statement, replete with sarcasm and laced with annoyance, was delivered at a news conference called to explain his government's rejection of two arms control plans presented by Secretary of State Cyrus Vance in three days of unsuccessful talks this week. Mr. Vance left Moscow this morning after expressing disappointment that the Russians had not accepted the proposals and had made no counteroffers of their own.

Substantive Points

Aside from detailing the substantive points of disagreement, Mr. Gromyko made clear the Soviet leadership's irritation, even anger, at the public nature of the Carter tactics, which have—perhaps inadvertently—tended to cast Washington in the image of the innovative arms controller and Moscow in an obstinate, foot-dragging role. The foreign minister recited a long list of disarmament proposals made by Moscow at the United Nations which were not supported by the United States.

His choice of the forum of a press conference—at which he took only a few written questions following a long statement—seemed to reflect the strong public-relations component of the Kremlin concern. Mr. Gromyko is one of the 15 members of the ruling Politburo, who virtually never meet with large groups of foreign journalists in Moscow; according to one experienced Soviet diplomat, the last time Mr. Gromyko appeared at a Moscow news conference was in 1960, after the U.S. U-2 pilot, Francis Gary Powers, had been shot down and captured.

Today, in effect, Mr. Gromyko accused the Carter administration of presenting, in public disarmament plans that it knew Moscow could not accept and then blaming Moscow implicitly for impeding negotiations.

A proposal, billed by Washington as radical disarmament and calling for "deep cuts" in strategic weapons, "would bring great harm to the interest of the Soviet Union," Mr. Gromyko said, "to the interest of the security of our Soviet people, to the security of our allies and friends."

He said that Mr. Vance had proposed limiting the deployment of long-range strategic missiles and bombers to 1,800 to 2,000, of which 1,100 to 1,200 could be fitted with multiple warheads. This would be a reduction from the respective totals of 2,400 and 1,320 outlined in the understanding signed in November, 1974 at Vladivostok by former President Gerald Ford and Communist party leader Leonid Brezhnev.

Mr. Gromyko had no clear comment on these reductions, but he ridiculed other aspects of the administration's "comprehensive" proposal, as the plan was known. "It was proposed at the same time to liquidate one half of our rockets, which someone in the United States simply doesn't like," the foreign minister declared.

What Has Changed?

"They have different names. Sometimes they are called too heavy, too efficient. So they don't like them, that's all. The Soviet Union must be deprived of half of these weapons and this is a revision of the Vladivostok agreement. We may ask, is this a way to agreement? What has changed since Vladivostok which dictates the necessity of such a demand? Nothing. Simply nothing has changed. This is not a way toward the solution of problems. This is a way of mounting one unsolved problem on another."

Mr. Gromyko found two other difficult areas in the package. He said that the ban on development of new ICBMs was unacceptable, a position some Western experts believe derives from Soviet technological inferiority and the fear that such a ban would freeze the two countries at unequal levels.

A question on whether the U.S. position on human rights had any effect on the arms talks brought Mr. Gromyko to his feet, speaking heatedly and gesticulating. He said at first that the human rights issue had no direct impact on the arms matters, but he added:

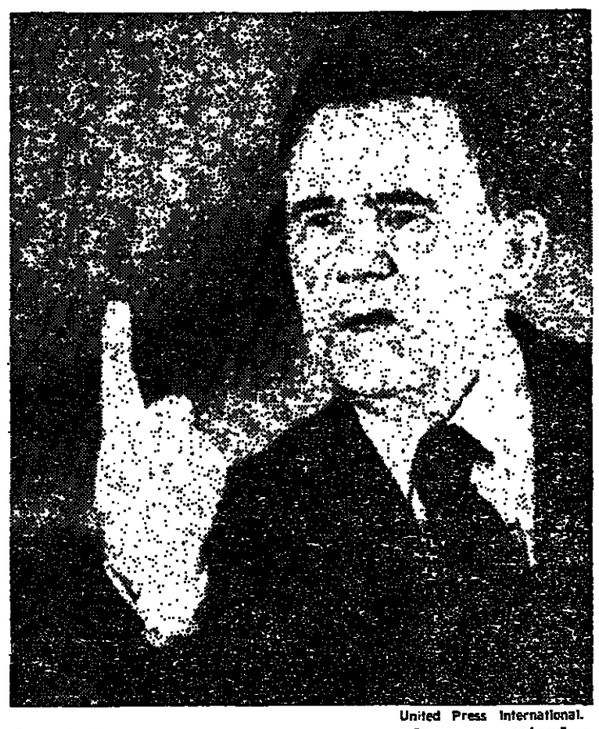
"It poisons the atmosphere. It aggravates the political atmosphere. It doesn't help solving strategic arms limitations questions. It aggravated it."

The foreign minister observed that both the Vladivostok accord and the current SALT-I agreement, which expires in October, "provided for the right to modernize rockets on both sides." In banning such a right, he argued, "the Soviet Union would be put into a worse position than the United States. This is in itself unrealistic. We shall not allow ourselves to retreat from a position of equality in this field."

The other problem was the Cruise missile. Mr. Vance told newsmen yesterday that the "comprehensive" plan would bar the Cruise missile at more than "intercontinental" range. He did not give the exact mileage, but it would be considerably greater than the 360 miles to which the Russians have demanded the uncontrolled Cruise missile be limited.

In effect, this would seem to

(Continued on Page 2, Col. 2)



United Press International.

Andrei Gromyko at Moscow press conference yesterday.

Mobutu Replaces Army Chief in Beleaguered Area

Zaire Admits Strategic Town Falls to Rebels

KINSHASA, Zaire, March 31 (AP).—The Zaire authorities today admitted for the first time the loss of the strategic town of Mutshatsha to rebel forces which named the gendarmerie commander, Gen. Boyenge Singa, to take command of the Zaire army in Shaba Province.

Mutshatsha, 60 miles west of the mining center of Kolwezi, was captured Saturday by troops who invaded Zaire from Angola March 8. But, until today, the Kinshasa authorities had repeatedly denied that the town had fallen.

The former operational commander of the Kolwezi sector, Col. Eluki Mongo Aundu, said at a news conference that the forward rebel positions were 50 miles west of Kolwezi, placing them about 10 miles past Mutshatsha on the disused Benguela railroad.

Col. Eluki said he had been called to Kinshasa to resume his previous post as personal chief of staff to President Mobutu Sese Seko. Asked to explain what his new duties would be, he said, "I think this question is not within the framework of this news conference."

3-Day Meeting

Col. Eluki said Gen. Singa's appointment and other operational decisions were made at a three-day meeting in Kinshasa between President Mobutu and his top military commanders.

"The situation in Kolwezi is completely calm and there is no sign of panic among the population," Col. Eluki said.

He said the rebels totaled about 4,000 men equipped with Soviet-made mortars, rocket launchers, surface-to-surface missiles and batteries of rocket launchers. However, observers have estimated that only 2,000 troops invaded the province.

Col. Eluki said the rebels brought up reinforcements from Angola in transport planes that landed at the rebel-held airstrips of Kisenge and Kabanga.

"These airstrips have now been rendered unusable by bombardment of our air force," Col. Eluki said.

Government spokesman Elebe Maekonzo, who also was at the news conference, accused unnamed foreign reporters of "undermining and sabotaging" the Mobutu government by exaggerating rebel advances. Mr. Elebe, director of the Zaire news agency, said the government may be compelled to "review the status" of the 30 foreign correspondents in the country.

Four hours later, without further announcement, newsmen found censors installed at the central telegraph office, from which nearly all news copy is transmitted to the outside world.

Col. Eluki renewed assertions by the Zaire authorities that the rebels were led by white mercenaries, either Portuguese or Cubans. Diplomatic observers have expressed skepticism about the presence of non-African troops among the rebels.

The rebel force is composed of Lunda tribesmen who went into exile in Angola when the short-lived secession of Shaba Province, formerly Katanga, collapsed in 1963.

In three weeks of military operations, the rebels have occupied a third of Shaba Province and are reportedly poised to strike at Kolwezi, whose mines produce copper and cobalt. These metals are exported and are responsible for two-thirds of the nation's foreign exchange.

After NATO Fails to Decide on AWACS

Britain to Build Own Airborne Radar System

LONDON, March 31 (Reuters).—Britain decided today to build its own Nimrod flying radar stations instead of waiting for the rival system which the United States wants to sell to NATO.

The decision was announced in the House of Commons by Defense Secretary Fred Mulley.

He said that Britain would place an immediate order for 11 Nimrods, aircraft packed with radar to detect low-flying attackers up to 200 miles away. The Nimrod, derived from the Comet airliner, is built by the British firm Hawker Siddeley.

The British government had been waiting for NATO to decide about buying the rival AWACS (Airborne Warning and Control System) built by the Boeing Aircraft Co.

Lack of Decision

The British action followed the failure of a NATO ministerial meeting last week to reach a decision on adopting the AWACS.

West Germany was reported to be concerned about the cost of the project. Defense experts estimated that NATO would need 27 AWACS aircraft at a cost of $88 million each—probably the highest price ever placed on an aircraft of this kind.

Mr. Mulley had warned that unless NATO made up its mind, Britain would choose its own plane.

Selection of the Nimrod project is likely to keep about 7,000 aircraft workers in jobs.

The cost of 11 Nimrods was estimated at $440 million, which Britain would have to pay for its projected 28-per-cent share in AWACS. But Mr. Mulley said in Commons that it was now believed that the Nimrods may cost slightly more.

"Our decision does not exclude the possibility of a collective NATO solution to the requirement," he said. "In developing the Nimrod system, we shall aim to secure the maximum interoperability and compatibility between Nimrod and whatever additional early-warning aircraft the alliance may eventually decide to produce."

The saucer-like radar dish mounted on top of the AWACS, an aircraft developed from the Boeing 707, is believed superior to the Nimrod over land.

But the Nimrod, a maritime reconnaissance plane, carries a bulbous nose package of radar which is thought to be better over water.

NATO Disappointed

BRUSSELS, March 31 (Reuters).—NATO said that it was disappointed at Britain's decision not to wait for a joint airborne warning system.

An official spokesman said that there was a real need for the alliance to agree on an integrated system to give early warning of low-level air attack.

He said that NATO defense ministers would discuss the situation during their next regular meeting in May.

Spain Court Called Unwilling To Rule on Communist Status

MADRID, March 31 (UPI).—The Supreme Court has decided to disqualify itself from ruling on the legalization of the Communist party and will return the case to the jurisdiction of the government, legal sources said today.

The national news agency Cifra reported that the court's decision will be formally announced tomorrow, but later withdrew the report.

In the canceled report, Cifra also said that a Cabinet meeting scheduled for tomorrow may produce an emergency decree under which the government could assume the court's function as the supreme arbiter on a political party's legality.

The sources said the court drafted an explanation of its decision and was expected to announce it soon. They said an emergency decree was not the only possible reaction by the government. Premier Adolfo Suarez could also suggest that King Juan Carlos appoint a commission to deal with the case.

Legalization of the Communist party is one of the most controversial issues in post-Franco Spain. The rightist faction and conservative army generals are against it while the center-left opposition parties have threatened to boycott the general elections in June unless the Communists are legalized and can participate in them.

The government of Premier Suarez on Feb. 22 refused to legalize the Communist party and asked the Supreme Court for a ruling within 30 days.

The ruling has been expected for more than a week, but was put off several times. One cause of the delays was the death, as a result of intestinal ulcers, of the president of the Supreme Court section dealing with the matter, and the sudden illness of several of its members.

Earlier this week, the Supreme Court took the unprecedented step of vetoing the government's appointee for the vacancy created by the death of the section's president.

The veto was seen as a protest by the politically conservative body, which includes army generals, against the presumed government attempt to assure a positive ruling by naming a known liberal.

Some Spanish commentators also interpreted the court's attitude as a protest against being drawn into a highly sensitive political matter which, in the opinion of many, the Cabinet itself should decide.

The Catholic newspaper Ya warned today that the legalization issue would plunge Spain into unrest and chaos.

It also said that if the ban on the Communist party was maintained, it could result in the boycott of the elections by all center-left opposition parties.

These parties have long supported the legalization of the Communists—partly as a proof that full democratic freedoms have returned to Spain, and partly on grounds that the Communists can be controlled more easily if they are in the open.

Extending Soviet Ties in Southern Africa

Russia, Mozambique Sign Friendship Pact

By David B. Ottaway

MAPUTO, Mozambique, March 31 (WP).—Mozambique signed a treaty of friendship and cooperation with the Soviet Union tonight, becoming the third black African nation to establish such a close relationship with Moscow.

At the signing ceremony in the presidential palace, President Samora Machel said: "Today we are mixing the blood of the Soviet people with that of the Mozambican people."

"The signing of this document not only satisfies the desire of our two peoples but it will also be a contribution to humanity and above all to the socialist world," he added.

Soviet President Nikolai Podgorny, who signed for his country, replied that relations between the two countries had now reached "a very high level. If the text of this agreement is completely carried out, we can say that the friendship between our two peoples, parties and governments will be one of steel."

The terms of the treaty were not immediately made known but they were presumed to be similar to those contained in the one signed last year between Angola and the Soviet Union. The only other black African country to have concluded such an accord with Moscow is Somalia, where the Russians have their largest military and economic investment in Africa.

The treaty signed here today, the eve of Mr. Podgorny's departure for home, is bound to shake Mozambique's relations both with South Africa and China.

South African leaders have been looking with increasing apprehension at the development in southern Africa of Marxist-Leninist governments with close ties to the Soviet Union.

China, which was regarded as the most favored Communist nation here immediately after Mozambique's independence in June, 1975, now appears to have lost that status to the Soviet Union.

Experts Meet Today On SST Noise Curbs

NEW YORK, March 31 (Reuters).—Technical experts from Air France, British Airways and the Port Authority of New York and New Jersey will meet tomorrow to evaluate new landing and takeoff proposals for the Concorde supersonic airliner to reduce its noise levels.

The two airlines and the makers of the Anglo-French plane earlier this month presented the Port Authority with a plan aimed at reducing the noise reaching suburbs near Kennedy International Airport here. Objections by residents of the area have been a major barrier in blocking the granting of landing rights for the SST at Kennedy.

Whether the Soviet-Mozambican friendship treaty will result in any policy changes toward Mozambique in Pretoria and Peking remains to be seen.

In any case, the treaty marks in a dramatic manner the consolidation of Soviet influence and presence in southern Africa, particularly since it has been signed with a country bordering directly on white-ruled South Africa.

Even before the disclosure of the two countries' intention to sign the treaty, Mozambican officials were cautioning Western journalists against interpreting Mr. Podgorny's visit here as an indication that Mozambique was becoming a Soviet "satellite."

President Machel had earlier spoken of his desire to establish an "exemplary relationship" with the Soviet Union, which he termed a "natural ally" of his Marxist government.

Castro in Algeria

ALGIERS, March 31 (UPI).—Cuban President Fidel Castro arrived in Algiers today for talks with President Houari Boumedienne and said he was impressed with the achievements of liberation movements that he saw during his African tour.

During the final stop of his tour, which took him to Southern Yemen, Libya, Somalia, Tanzania, Mozambique, Ethiopia and Angola, Mr. Castro will have long talks with Mr. Boumedienne on "general issues," the Cuban said.

Sahara Rebels Report Killing 16 Moroccans

ALGIERS, March 31 (Reuters).—Guerrillas in the Western Sahara attacked a Moroccan convoy, killing 16 soldiers and wounding 13, the Polisario Front independence movement said last night.

It said the convoy, escorted by tanks, was attacked near the northern town of Smara. Guerrillas also ambushed Moroccan reinforcements sent to relieve the convoy, a communiqué said.

400 Pigeons Caught, Killed in Day in Siena

SIENA, Italy, March 31 (UPI).—Authorities captured, decapitated and burned 400 pigeons today in their continuing effort to rid the city of what they say are diseased birds.

City officials announced last week the drive to kill about 4,000 pigeons at the main Piazza del Campo. They said that the birds were suffering from a form of salmonella that could be transmitted to humans.

Guiringaud Calls Ties With Israel Back to Normal

JERUSALEM, March 31 (Reuters).—French Foreign Minister Louis de Guiringaud said today that French-Israeli relations were back to normal and paid tribute "to the sacrifice, the courage and the grandeur of the Jewish people."

Israeli Defense Minister Shimon Peres said after a meeting with the foreign minister that he felt Paris had gotten over its enthusiasm for the Arab cause.

French officials accompanying Mr. de Guiringaud said that the foreign minister's 47-hour official visit to Israel had gone magnificently. Israeli officials, however, appeared to be more guarded in their reaction to the visit, designed to smooth out a decade of stormy relations between the two countries.

Relations hit their low point earlier this year when a French court released a Palestinian leader, Abou Daoud, wanted here on suspicion of organizing the 1972 attack on the Munich Olympic Games in which 11 Israeli athletes were killed.

On Trips to South Africa

Apartheid Persists for Transkeians

By Jack Foisie

PRETORIA, March 31.—Two million black South Africans were given their independence last October as citizens of a new nation called Transkei.

They have learned since that when they venture out of their ministate into South Africa they must carry a passport in place of the old passbook and that all the restrictions of apartheid still apply.

"We thought that as citizens of Transkei we would be free of harassment in white areas and could move as freely as other foreigners," T.F. Matshoba, a Transkei diplomat, said. "But it hasn't worked out that way so far."

Mr. Matshoba, who has the rank of minister and is the second-ranking man in the Transkei Embassy here, confirmed that, like other blacks in South Africa, Transkeians are still confined to specific areas, can usually get only unskilled jobs, and are subject to challenge by police at any time to produce their passports. The passport must be in order or they face jail, a fine and expulsion to their tribal homeland.

Although the citizens of Transkei now carry their passports, the restrictions concerning the new document are the same as had been in effect for the old. As they did with the passbooks, black workers' employers sign the passports every month, the white regime's guarantee that the documents are valid.

Blacks consider South Africa's passbook one of the most humiliating discriminations affecting them. A total of 218,113 black men and 33,918 black women were arrested in South Africa last year for having improper passbooks or for being in areas not authorized in the book.

Mr. Matshoba also complained that, in seeking new travel documents or having old ones updated, Transkei citizens still must deal with the South African Bantu (black) Administration, while white foreigners take their troubles to the Ministry of the Interior or the Ministry of Foreign Affairs.

"We expected, when in South Africa, to receive the same threatment as other aliens," Mr. Matshoba said.

Transkei is the first of South Africa's nine tribal homelands to be granted independence. By granting self-rule, South African Prime Minister John Vorster said, he was demonstrating that his apartheid policy was working.

However, South Africa's failure to provide Transkeians with the political rights they expected has been seized on by black nationalists as proof that negotiated "equality" is meaningless and that only through violent protest can the minority white government in South Africa be dismantled.

Recently, after talks between Mr. Vorster and the Transkei Prime Minister Chief, Kaiser Matanzima, a government spokesman said that more equitable treatment for Transkeians traveling or living in South Africa was being considered, "but will take time to work out."

In addition to the 2 million Transkeians living in the new nation, 1.5 million blacks living in South African urban areas are classified by the government as Transkeians because they speak the Xhosa tribal language.

Status Question

It is the question of what status will be accorded these external Transkeians that poses a problem for the South African government, which is not now inclined to consider a Transkei passport holder as a "foreign black" with more social and political rights than a native black, a South African official said.

Many external Transkeians are second-generation residents in the ghetto towns in or near South African cities. They have no ties with the new nation.

But even though they are second-class citizens in white-dominated South Africa, they do not want to be forced to go to Transkei, where there are few work opportunities and harsher living conditions.

Moreover, Mr. Matshoba said, his government does not want to accept unwilling Transkeians because it believes they will turn out to be troublemakers and a burden on the economy.

The South African government contends that the Transkei Prime Minister agreed that his people would be subject to the prevailing South African racial laws. But in opening the Transkei Parliament recently, the Prime Minister said he thought that Transkeians should be able to move about freely in South Africa.

Diplomatic Status

About the only Transkeians able to do that are the handful of diplomats stationed in South Africa.

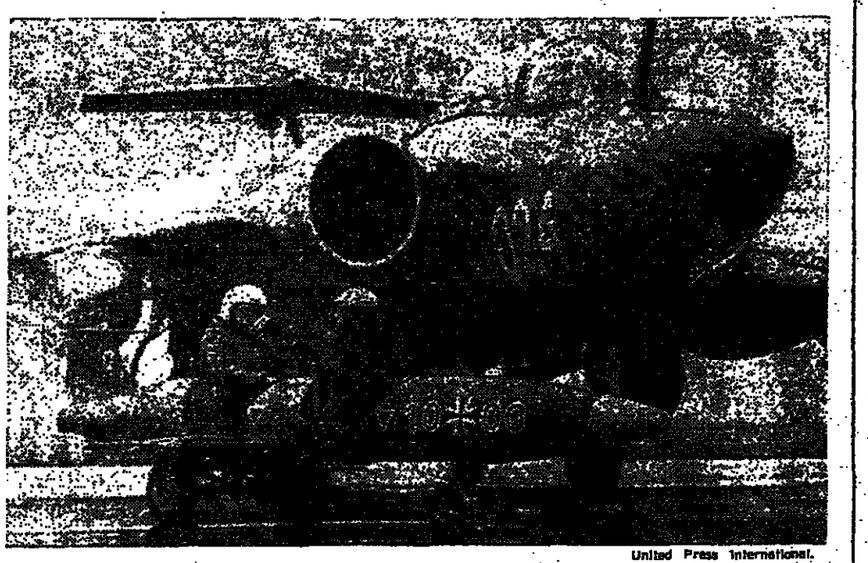
Mr. Matshoba has diplomatic status. He is having a house built in a fashionable white suburb and says his presence there has been accepted by his white neighbors.

Mr Matshoba's younger children are going to integrated private schools, "one to a Catholic school, one to a Jewish school." Children of some Transkeian diplomats are the only blacks in South African public schools.

No nation other than South Africa has recognized Transkei as an independent country because, as United Nations Secretary-General Kurt Waldheim has said, the independence move is a "design to consolidate apartheid."

"Why doesn't the United States want to recognize us?" Mr. Matshoba asked plaintively. "It would help us hold up our heads, and put pressure on the South African government to treat us fairly."

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United Press International.

STARLET—German Navy pilots taxi a miniature Starfighter past a reconnaissance plane at the NATO air force base in Jagel, West Germany. The pocket plane, made by a pilot from a fighter fuel tank, has 2.5-hp engine, but cannot fly.

Giscard Tells New Cabinet To Stay Aloof From Politics

By James Goldsborough

PARIS, March 31 (IHT).—President Valéry Giscard d'Estaing told his new Cabinet today that it was to remain disassociated from political parties and concentrate on a 12-month period of legislation before the national elections.

The President's statement at the first meeting of the second government of Prime Minister Raymond Barre was an admission that he had failed to win political and parliamentary support for his policies. The new government appears to have no solid political base.

Meanwhile, Gaullist leader Jacques Chirac, addressing a party meeting in the south of France, took exception to the President's remarks Monday that elements within the ruling coalition were responsible for defeating government reform projects.

"Be careful!" Mr. Chirac told the Gaullist legislators. "There are good reforms and bad reforms." He said that it was a mistake to make Frenchmen believe that parts of the coalition tended more to reforms than others. "We all desire changes," said Mr. Chirac. But he added, "True reforms are the ones made, not the ones discussed."

Mr. Chirac said that the Gaullist support for the government's policies would be vigilant, adding that it would be necessary to take into account the Gaullist point of view. "We are ready for union with loyalty and dignity," he said.

Meanwhile, the Communist party today asked its Socialist partners for negotiations to revise their Common Program for Government, something that the Socialist party has opposed.

Communist party leader Georges Marchais told a meeting of the Central Committee that, in preparation for the national elections next year, it would be necessary to bring up to date the document that was written five years ago.

Mr. Marchais did not minimize the task: "We have worked very hard," he said, "deepening our analyses and elaborating detailed propositions." He said that for 18 months the party had been working on the project.

Mr. Marchais's revision plan could prove deeply embarrassing to the Socialists, who are anxious not to renegotiate the complicated document that took two years to draw up and at times seemed to emphasize the parties' discords as much as their agreements.

The Socialist party leadership already expects a difficult Socialist party congress in June at which it will have to deal with a factional struggle involving the left wing of the party.

The Socialists believe that renegotiation would only make public new differences that have arisen between them, including whether more companies are to be added to the list of nationalizations and how the indemnification is to be financed.

In addition, the two parties still are no closer on the two main points of disagreement on the Common Program: workers' self-management, and European unity, both of which the Socialists support and the Communists oppose.

Watergate

For Sale

ROME, March 31 (Reuters). The Watergate complex in Washington, scene of the break-in that led to former President Richard Nixon's resignation, is for sale, the Italian owners said.

Arcangelo Belli, vice-chairman of Generale Immobiliare, Italy's biggest construction company, told the magazine L'Espresso that the concern was negotiating with a U.S. group for sale of the hotel and was asking $45 million.

Owned by the Vatican before it passed into the control of Michele Sindona, the financier, the company is seeking funds to stave off bankruptcy.

House Unit Issues Vow on Slayings

WASHINGTON, March 31 (AP).—The House Assassinations Committee, granted two years to do its work, will "lay to rest all the rumors and rumors of rumors" about the murders of President John Kennedy and the Rev. Dr. Martin Luther King jr., its chairman promised yesterday.

The House extended the committee's life through 1978 by a vote of 230 to 181 yesterday after the panel's controversial chief counsel, Richard Sprague, resigned.

The committee chairman, Rep. Louis Stokes, D-Ohio, said an unofficial count had indicated that if Mr. Sprague had not resigned, the life of the committee might not have been extended. He and other panel members praised Mr. Sprague and said the former counsel had been unfairly maligned by the committee's former chairman, Rep. Henry Gonzalez, D-Texas.

Rich Farm-Fish Area Affected

North Italians, Too, Joinin Protests Against A-Reactor

By Ina Lee Selden

MONTALTO DI CASTRO, Italy, March 31 (NYT).—There were accordions, drums, flutes, guitars, banners and petitions. There were housewives, fishermen, shepherds, farmers, hippies, nobility and businessmen. The local wine and cheese were passed around.

It was a protest and a picnic combined. Ten days ago, 7,000 persons came to Italy's first big demonstration against government plans to build two nuclear reactors in this rich farm area on the west coast, two hours north of Rome. The protest also marks Italy's entry into the anti-nuclear energy fight that is well under way in West Germany and France.

"We wanted to fight this thing and went from door to door to get people interested," said Nicola Caracciola in the kitchen of his country home, near the proposed site. "What we found were people with fears, some founded, some unfounded.

"We simply gave form to the protest," said Mr. Caracciola, a journalist and an early leader of the protest.

Etruscan Ruins

"Those who started this fight were concerned about the environment, the birds, the fish, the animals and ancient Etruscan ruins that the area is famous for," Arturo Osio, secretary-general of the World Wildlife Foundation in Italy, said. "Those who are continuing it feel threatened personally."

The two reactors planned for the area would be Italy's biggest. There are now three experimental 250-megawatt nuclear power plants, two in the center of the country and one in the north. They evoked no protests when they were put up 15 years ago.

The plants scheduled for Montalto di Castro will have 1,000-megawatt reactors designed by General Electric and are part of a 10-year plan to build 12 reactors in Italy. The total cost is estimated at $24 billion.

The protest here first took the form of public meetings. After both sides presented their arguments, the citizens were left with doubts over how nuclear waste would be disposed of, what would happen to the rich fishing zone when the reactors' waters are discharged into the Mediterranean, and what would happen to the farmland surrounding the reactors.

The fear and doubt have grown since the campaign began three months ago. Almost all the residents of Montalto di Castro and the nearby village of Capalbio now oppose the plans.

The farmers are against it. The Maremma, as the area is known, was once marshland. In the early 1950s, the governmer propriated lands of the big ers, drained it, then sold plots to farmers from where unemployment was

'Sweated for Land'

"It's taken a generatic create what we have now.". Biasi, 50, said. "We've sw for this land and don't to give it up at any price." government had implied t would pay premium price the land.

Pranca Paita, 52, who is o town committee fighting plant, said: "The governmer guaranteed that it will c off a wide radius aroun mouth of the tubes discha the hot water and they let the fishing boats ente zone. But we haven't yet t the fish to stay outside radius."

The local merchants don't the reactors either. "T been a certain balance between agriculture and tou said Gino Marchetti, a busi man. "Even if there's no tamination, who will come area where there's a reacto

The residents feel that plans for the reactors will ably go ahead, if not on sch next month, then later. Ir meantime they are stalling time and hoping for new s guarantees.

Arms Panel Ge Dutch Plea for New Atom Fue

GENEVA, March 31 (UP The Dutch government calle day for a worldwide dialogu U.S.-developed ideas for a nuclear fuel which would be suitable for the manufactu nuclear weapons.

Pieter Kooijmans, Dutch s secretary for disarmament such a dialogue is vital to pre any further proliferation of n lear weapons.

Mr. Kooijmans told the 30-tion Geneva disarmament c ference that "a worldwide logue on the possibilities problems connected with [nuclear] fuel cycles is not o worthwhile but essential."

Ideas for such safe nuclear f received official support in t United States at the end of t Ford administration and h been given even stronger back under the administration of Pr ident Carter.

The concept centers on nucl fuel cycles which do not cont plutonium or highly enric uranium in a form which co be used directly for the manuf ture of nuclear explosives.

Sadat Visits Scheel in Bonn At Start of 3-Nation Aid Tour

BONN, March 31 (UPI).—President Anwar Sadat of Egypt conferred with President Walter Scheel tonight on the first day of a weeklong trip on which he is to visit France and the United States as well as West Germany.

Mr. Sadat had talks and dinner at the West German President's official residence.

Mr. Sadat, accompanied by his wife, Jihan, arrived here today on a tour in which he will seek financial aid, promote Arab-Israeli peace negotiations and seek U.S.-made arms.

He is scheduled to fly to Paris Saturday and meet President Carter in Washington on Monday and Tuesday.

In addition to his wife, Mr. Sadat was accompanied by Economics Minister Hamed el-Sayeh and Hassan Kamel, chief of his Cabinet. Foreign Minister Ismail Fahmy delayed his departure from Cairo for 24 hours because of his mother's death.

Mr. Sadat is scheduled to confer with Chancellor Helmut Schmidt tomorrow.

Before leaving on his tour, he said Egypt needs $10 billion for the next four years.

He said he would like the United States, Western Europe, Japan and Iran to set up a consortium to help solve Egypt's economic problems.

The aid program should be modeled on the lines of the Marshall Plan, under which the United States aided Europe after World War II, Mr. Sadat said.

He also planned to raise with President Carter the question of Palestinian representation at Middle East peace talks.

In an interview before leaving Cairo, he said he had been heartened by Mr. Carter's recent statement on a homeland for Palestinians. "It shows that the President understands an important part of the problem," he said.

Mr. Sadat said he also wanted to convince Mr. Carter of the need to persuade Israel to withdraw behind its pre-1967 borders.

PLO View of U.S. Policy

DAMASCUS, March 31 (AP).—In spite of President Carter's call for creation of a Palestinian homeland, the main Palestinian guerrilla movement feels that the new U.S. administration remains an enemy, a spokesman said today.

"We in the Palestine Liberation Organization are still warning the Arabs that U.S. policy is an enemy No. 1," said Abdul Mohsen Abu Maizar, chief spokesman for the PLO and a member of its Executive Committee.

"U.S. policy is not fair and not honest," he said. "The United States is still far beyond the strict minimum demands of the Arabs. The declarations of Carter remain within the framework of the Israeli understanding of peace."

Mr. Abu Maizar's comments marked the first time that he had spoken out since the Palestinian National Council wound up a recent meeting in Cairo with what was described as a moderate line on possible peace negotiations.

Mr. Carter said that once Israel's safety is assured, a "homeland" should be set up for Palestinians. He has also mentioned the possibility of setting up demilitarized zones around Israel and patrolling them with international forces.

Lebanese Foes Trade Shellfire

BEIRUT, March 31 (UPI).—Rightist Christian militiamen exchanged artillery fire with leftists and Palestinians in south Lebanon today after seizing a leftist-held border village, rightist sources said.

They said the rightists took the village of Taybe, 3 miles from the Israeli border, last night after a daylong battle that killed 23 persons.

The rightist offensive, which both sides described as a major push, broke a weeklong informal truce in the south.

Poll Predicts Tory Upset in By-Election

BIRMINGHAM, England, March 31 (UPI).—Voters in the Stechford district of this industrial city cast their ballots today in a parliamentary by-election with the latest opinion polls predicting Conservative upset victory over the governing Labor party.

A pool conducted for the Birmingham Evening Mail gave the Conservatives a 7 per cent edge. But local Conservative party sources were more cautious and said the outlook was 50-50.

The Stechford seat formerly was represented in Parliament by Roy Jenkins, now president of the Common Market Commission. It has usually been considered a "safe" Labor party district.

Had 11,152 Majority

In the last parliamentary general election in October, 1974, Mr. Jenkins won the seat with a majority of 11,152 votes. The Conservatives need a voting swing of nearly 15 per cent to capture the seat from Labor. Mr. Jenkins's move to the Common Market job made the by-election necessary.

Six candidates contested the by-election—a Laborite, a Conservative, a Liberal, a rightist National Front representative and candidates running on the extreme left.

Prime Minister James Callaghan's Labor government is in a minority of one in Parliament, with a total of 315 votes compared with 316 for all other parties. But last week it concluded a deal with the Liberals to support it on all confidence issues at least until next October.

Vance Reports to Schmidt, Callaghan on Moscow Talks

(Continued from Page 1)

Union would be prohibited from building weapons that the United States could continue to hold, although in reduced numbers.

Mr. Schmidt told reporters that he supported Mr. Vance's contention that the collapse of the talks does not endanger Western European security.

Mr. Vance declared that there is no contradiction between his statement that an accelerated arms race "would be a tragedy" and a seeming threat by President Carter to increase U.S. weapons development if he decides that the Soviet Union is not acting in good faith.

Speaking of Mr. Carter, Mr. Vance said that "he would be very reluctant to have to take that course of action."

The President would "far prefer, I'm sure, to avoid taking steps leading to an arms race."

The secretary will remain in London tomorrow morning for further talks and then will fly to Paris for similar discussions with French leaders.

Russia, Japan Fail to Agree on Fisheries Pact

MOSCOW, March 31 (AP).—Soviet and Japanese negotiators failed to reach agreement today as the deadline passed for a new fishing treaty, a Japanese spokesman said.

The failure of the talks, despite a last-minute proposal offered by Ambassador Akira Shigemitsu, means that Japanese fishing vessels will be banned from a new 200-mile Soviet zone tomorrow.

At a news conference late tonight, Mr. Shigemitsu told Japanese newsmen that the failure to reach agreement does not mean that the talks have ended. The Japanese delegation has no immediate plans to leave Moscow and both sides will be discussing a new framework for continued talks, he said.

Japanese sources said that 1,600 Japanese fishing vessels were withdrawn from the Soviet zone as the deadline neared without agreement.

Meanwhile, Premier Takeo Fukuda's special envoy, chief Cabinet secretary Sunao Sonoda, was due in Moscow Saturday, the embassy spokesman said. Sources said that he hoped to meet with Soviet officials on the subject of fishing.

8 Killed in Flight By Filipino Pilot

ZAMBOANGA, the Philippines, March 31 (AP).—The pilot of a chartered airliner carrying military men on leave went berserk during the flight today, and opened fire with an automatic rifle, killing 8 passengers and wounding 14, authorities said.

Other crew members and passengers aboard the DC-3 overpowered Capt. Ernesto Abuloc, officials said. Copilot Rolando Suarez landed the plane in this southern Philippine city.

Officials said they did not know what caused the pilot to go on a rampage. His weapon was an M-16 rifle that one of the passengers had deposited with the cockpit crew before the takeoff.

New Zealand Leader Calls Amin a Maniac

LONDON, March 31 (Reuters).—Prime Minister Robert Muldoon of New Zealand today described President Idi Amin of Uganda as a maniac.

Replying to questions at a foreign press association luncheon here, he said: "It is hard to contemplate what a maniac will do."

In reply to another question, he said that he would find Field Marshal Amin's attendance at the Commonwealth heads of government conference in London this summer repulsive but that he saw nothing the Commonwealth could do about it.

Italy's Austerity Plan Clea First Parliamentary Hurdle

ROME, March 31 (UPI).—Premier Giulio Andreotti's austerity program, demanded by the International Monetary Fund and grudgingly accepted by organized labor, cleared its first parliamentary hurdle today.

The Senate voted with more abstentions than favorable votes to approve an amended version of a decree that would save Italy's industry an estimated 580 billion lire ($654 million) by preventing expected price rises of transportation, electricity and newspapers from triggering automatic cost-of-living pay hikes.

Voting figures were not announced, but only Mr. Andreotti's Christian Democrats and 2 Liberal senators—a total strength of 138 in the 322-member Senate—said they were voting for the program.

Six Republicans and six neo-Fascists said they were voting against and everyone else—including the Communists who have kept Mr. Andreotti's minority Cabinet aliv for eight months through their neutrality—abstained.

Needs Chamber's Approval

The measure now needs the approval of the Chamber of Deputies before April 8, two months from the day it was issued. Politicians said its passage was assured.

The austerity package, worked out in two full nights of negotiations with Italy's three major labor confederations, met terms by the IMF for a $530-million loan to support Italy's economy.

Italy's credibility with the international financial community and its chances of obtaining an additional $500-million loan f the European Economic Com nity depended largely on the come of its talks with the I

Labor leaders demanded t the government reciprocate t concessions by committing it to increase employment and structing banks to expand cr for industrial investment.

Wants Stronger Coalition

Giorgio Benvenuto, secre general of the Union of Ita Labor, asked in a speech in cara if Mr. Andreotti's minc government was in a positior make such commitments. called for a stronger coalit presumably including the C munists.

"I wonder if such a task be entrusted to a governm that, resting on abstentions, k itself alive by means of exp ents and playing on internal tradictions of the Christian D ocrats and the abstent parties," Mr. Benvenuto said.

The government, in an nomic report approved today submission to Parliament, that "only a policy of cont ment of the public deficit control of production costs allow a gradual realignment the Italian economy" to thos other industrialized countries

It said that Italy's gross tional product increased 5.6 cent in 1976, more than in average Western country, but creased imports resulted in a trillion-lire ($2.68-billion) bala of-payments deficit and the l value dropped 17 per cent i year.

The report said employn grew by 166,000, not enough match the growth of the po tial labor force.

The Central Institute of St tics said the unfavorable t trend continued into this y It said Italy's trade deficit January and last month was billion lire ($1.03 billion), an crease of 137 billion lire million) over the same months of last year.

7 More Arrested In U.K. Drug Raid

LONDON, March 31 (AP).—Detectives have arrested seven more persons in a nationwide crackdown on what police have described as Britain's biggest drug manufacturing and smuggling racket, police said today.

The arrests raised to 105 the number of men and women rounded up in the police dragnet that began after an undercover policewoman infiltrated the ring. At least 20 persons, including the ring's pharmacists, have been ordered held in custody.

Police said raids are continuing, but gave no details. They said detectives had seized LSD, heroin and marijuana with a street value of more than £10 million ($17 million).

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Gromyko Says U.S. Aimed For SALT Talks Advantages

(Continued from Page 1)

leave unlimited the U.S. deployment of medium-range Cruise missiles that, fired from submarines, airplanes or surface ships, could strike Soviet cities and military targets.

President Carter's second proposal, a fallback plan in case the comprehensive cuts were rejected, would have enacted the Vladivostok limits without counting either the Cruise missile or the Soviet Backfire bomber, which the Pentagon insists has strategic range, but which Moscow insists is only a medium-range weapon.

Disagreement on the Backfire and Cruise missile has stalemated SALT negotiations for more than two years, and Mr. Gromyko reaffirmed the previous Soviet positions.

The U.S. assertion that the Cruise missile was not supposed to be included in the Vladivostok totals "does not correspond with reality," he said. "The question was not put in such a way. Nobody raised this question in such a way. There was no green light given to the development of the Cruise missile."

He complained that after the Vladivostok summit, there was some progress in negotiations, "but suddenly, a wall was erected and everything was frozen," when the United States refused to count the Cruise missile in the totals. This he termed a revision of the Vladivostok accord.

"We are categorically against it," he said, adding that under the administration's fallback proposal, postponing consideration of the Cruise missile "means cutting off one channel [of the arms race] and opening a new channel, perhaps wider and deeper."

The foreign minister then revived the question of U.S. bases in Europe and elsewhere from which submarines, aircraft carriers and bombers, with nuclear weapons can strike the Soviet Union.

When the problem was raised at the Geneva talks, he said, "we received nice smiles but no concrete answers. But nice smiles are not enough; we need a practical solution. We attach great significance to this."

Mr. Gromyko declared that although the Vladivostok accord ignored the issue of the forward bases, "we now look at this differently in light of the new proposals of the United States." He spoke of the "liquidation" of the bases and added:

"You may call it hardening the position, changing the position—you may interpret it. But this problem appears to us in light of the recent American proposals." This was evidently a reference to the U.S. desire to deploy at least medium-range Cruise missiles, which would have access to Soviet territory by means of forward bases.

Greek Strike Ends

ATHENS, March 31 (AP).—Striking public high school teachers voted to return to work today, ending a monthlong walkout, after the government agreed to increase their overtime pay. The government said that the school term would be extended to cover the days lost.

25 Die in Iran Crash

TEHRAN, March 31 (AP).—Twenty-five people were killed and 15 seriously injured this week when a crowded passenger bus collided with a truck and a car in southwest Iran.

Congress Is Told Of Arms Sale Bid

WASHINGTON, March 31 (AP).—The Pentagon yesterday sent its first formal notification of a proposed arms sale to Congress since the Carter administration took office.

The Defense Department notified congressional committees of plans to sell Norway three P-3B anti-submarine patrol planes for $21.7 million.

The "letter of offer" went to Capitol Hill a day after the White House disclosed that President Carter had personally reviewed and approved more than $2 billion in proposed military sales.

A White House spokesman declined to identify the countries involved, but said the proposals included "weapons transfers to NATO countries," military construction and logistic support.

Le Havre Protest Ends

LE HAVRE, March 31 (Reuters).—Fishermen today ended a three-day blockade that they had staged here to protest the pollution of fishing grounds.

Rhodesia Combat Claims 24 Lives

SALISBURY, Rhodesia, March 31 (UPI)—The military command today reported 24 persons killed in the last 48 hours of guerrilla warfare, capping the worst month Rhodesian troops have had in terms of casualties.

A communiqué said security forces killed 10 black nationalist guerrillas since Tuesday, pushing the number of insurgent fatalities for the four-year-old war to at least 2,727—414 in 1977, 174 in March alone.

The communique charged that guerrillas killed 12 African civilians but gave no details. It also reported the deaths in action of a 19-year-old, unmarried district assistant and a 47-year-old district assistant with three wives and five children.

Sri Lanka's Regime Drops a Press Curb

COLOMBO, March 31 (Reuters).—Newspapers belonging one of Sri Lanka's three press chains were back on streets today after the gov ment lifted a three-year-old

Independent Newspapers, w publishes the English-lang Daily Sun and other dailies weeklies in Sinhala, English Tamil, was banned indefin in April, 1974, on charges malicious distortion of facts

هكذا من الأصل

After Change of Regime

Senate Unit Votes to Repeal Measures Against India Aid

By Don Oberdorfer

WASHINGTON, March 31 (WP).—In a gesture of approval for India's new government, a Senate subcommittee voted yesterday to repeal an anti-India measure adopted by Congress in reaction to India's May, 1974, nuclear explosion.

Voted in July, 1974, the existing statute requires U.S. representatives to the World Bank to vote against low-interest loans to India. However, the U.S. votes are insufficient to block the loans.

Sen. Hubert Humphrey, D-Minn., chairman of the Foreign Assistance Subcommittee, described the earlier action as an ineffectual "drop dead" message to India. Sen. Humphrey added that "after 2 1-2 years of dictatorial rule, India has emerged in a free election . . . We ought to encourage this sort of thing rather than kick it [India] around."

In proposing that the measure be repealed, Sen. Humphrey called it "an impediment to an improved relationship." He said that the "rather important and fundamental changes" in India's government since the unexpected defeat last week of former Prime Minister Indira Gandhi will lead to "new policies." U.S. policy should adjust to the new situation, he said.

Food Allocations

The United States has given no new bilateral development aid to India since 1971, although large allocations of U.S. food aid have continued. In addition, India has been receiving about 40 per cent of the long-term, low-interest loans provided worldwide by the World Bank's International Development Association (IDA). The United States contributes about one-third of IDA's funds, which are reserved for the poorest nations.

A bill approved by the Senate subcommittee yesterday authorizes $5 billion in new U.S. capital for the World Bank, IDA and other international financial institutions which now carry a heavy share of U.S. development assistance. Under existing ratios, India would receive about $900 million yearly from the IDA fund, about one-third of this from the United States. Before last week's election, some U.S. legislators argued that India's share should be reduced.

The Senate subcommittee voted to repeal an amendment requiring U.S. votes of disapproval against international bank loans to nations that consistently violate the human rights of their citizens. The subcommittee voted to substitute a more flexible provision, backed by the Carter administration, instructing U.S. representatives to international development banks to use their "voice and vote" to advance human rights.

No Cabinet Backing

NEW DELHI, March 31 (Reuters).—India's new Janata party government told Parliament today that Mrs. Gandhi imposed a state of emergency in June, 1975, without Cabinet approval.

Home Minister Charan Singh told the Lok Sabha (lower house) that the President signed the proclamation on June 25, and that it was approved by the Cabinet the following day.

A senior Janata member, Shyama Nandam Mishra, said that Mrs. Gandhi had violated the constitution by seeking her Cabinet approval only after imposing the emergency.

Aide to Carter Not Ruling Out Lying Situation

WASHINGTON, March 31 (AP).—White House Press Secretary Jody Powell said last night he probably could think of a situation in which "it would be a very close call" to decide whether the government had the right to lie.

Mr. Powell, at a journalist's organization meeting, said that if he is ever faced with such a situation, "I'll just have to make the best decision I can."

Asked whether he thinks the government has the right to lie, Mr. Powell replied: "I don't know. I think that as a general rule the answer is 'no.' But I can't say that I could not posit a hypothetical situation in which it would be a very close call at the very least."

He said the question of "whether I tell a lie" involved "whether my integrity is more important than whatever else is at stake. My integrity or someone else's life? What are you going to do?" he asked.

Nobel Laureate Discounts Danger Of Gene Splicing

WASHINGTON, March 31 (AP).—Dr. David Baltimore, who won the Nobel Prize for Biology in 1975, said yesterday that the republic has been unduly alarmed by critics of a new form of genetic research that can alter life forms.

The potential hazards and benefits of the new technology, called recombinant DNA research, is being scrutinized by the House Science and Technology subcommittee. Under the procedure, genetic material called DNA is transferred from one species of organism to another to create new inherited traits.

Dr. Baltimore told the House subcommittee, "I am today much less concerned about hazards than I was before I began listening to the debates . . . I have realized how unlikely it is that any gene added to an unfit microorganism might make that microorganism suddenly capable of monstrous doings . . ."

The risks "that are being discussed in the popular press are widely overstated," said Dr. Baltimore, a professor of microbiology at the Massachusetts Institute of Technology.

"To cut off a field of research because of fear of the possibilities inherent in knowledge would be a suicidal policy for a civilized country," he argued.

Cosmos-900 Aloft

MOSCOW, March 31 (Reuters).—The Soviet Union has launched Cosmos-900, Tass said.

Ethiopia Reports Two Are Ousted As CIA Agents

ADDIS ABABA, March 31 (AP)—The leftist military government has expelled two Americans who, it alleged, worked for the CIA.

Ethiopia's official news agency said yesterday that the men were black Americans and had been caught on March 23, engaged in espionage activities in two northern provincial towns.

The agency, quoting a spokesman of the ruling Military Council, named the two as Richard Hammond and Carl Hamilton. It said they had been spying for the Ethiopian Democratic Union (EDU), a domestic anti-government organization, in the towns of Dabat and Debark, about 435 miles north of here. The agency alleged the two were "posing as Ethiopians" while engaged in espionage.

"They admitted during investigations that they were engaged in espionage activities for the reactionary clique of EDU and they confessed to working as agents of the CIA," the news agency quoted the spokesman as saying.

A senior official of the U.S. Information Service here said no American diplomats named Hammond and Hamilton were working in Ethiopia and refused further comment.



Associated Press.

PLAYTIME—Amy Carter, the President's nine-year-old daughter, sits atop playground gymnastic set and surveys the scene this week at elementary school in Washington where she is in the fourth grade.

Cypriots Resume Negotiations In Vienna on a Federal State

From Wire Dispatches

VIENNA, March 31.—Representatives of the Greek and Turkish communities in Cyprus resumed talks today on a federal solution to the island's ethnic divisions.

UN Secretary-General Kurt Waldheim, who presided at the opening meeting here of the slow-moving sixth round of the Cyprus negotiations, expressed "careful optimism."

Mr. Waldheim said there was goodwill on both sides, and voiced hope that an agreement on the basic principles of a new constitution for Cyprus will be reached this year.

'Narrow the Gap'

"This is a crucial moment in the talks on the Cyprus question," he said. "I strongly appeal to the two sides to narrow the gap between their views."

Mr. Waldheim said there was reason for "careful optimism," as a result of an agreement between President Makarios and Turkish-Cypriot leader Rauf Denktash.

The two leaders agreed Feb. 12 that an "independent, nonaligned, bicommunal federal republic" should be set up.

"This agreement paved the way for the resumption of the talks that were deadlocked for 13 months," Mr. Waldheim said.

The delegations of Greek Cypriots and Turkish Cypriots attending the new round of the talks here had new leaders. They were Tassos Papadopoulos, a 43-year-old lawyer and member of parliament who is close to Archbishop Makarios, and Suleyman Onan, 50, also a lawyer and member of parliament.

In previous negotiations, the Greek community on the island was usually represented by Glafkos Clerides, who at times seemed more conciliatory to the Turks than did President Makarios.

The main representative of the Turkish Cypriots in earlier rounds of the talks was Mr. Denktash, now president of the Turkish-controlled territory, embracing 40 per cent of the island.

Greek-Cypriot negotiators said they submitted today "a map showing how we suggest that the two communities should be set up on the island," a spokesman said. "The proposal was received by the Turkish-Cypriot delegates, who said they have relayed it to Nicosia and expect an answer for our next meeting [tomorrow]."

Foreign Politics

A proposed new constitution would provide for a Greek-Cypriot and a Turkish-Cypriot state, both largely autonomous, under a central government of still undefined powers. In foreign politics, Cyprus would remain unaligned with any big-power bloc.

The talks that started today centered on how much territory should be allotted to either ethnic community. The Turkish Cypriots have indicated that they were prepared to accept a boundary allowing them to keep about a third of Cyprus. President Makarios is said to be willing to let the Turkish Cypriots remain in possession of 22 per cent of the territory.

Cyprus has a population of 650,000, fourth-fifths ethnic Greek.

The United States is discreetly urging both communities, and their backers in Athens and Ankara, to come to terms.

Diplomats from nations that are not directly involved in the Cyprus issue, but are monitoring the Vienna talks, suggested today that a compromise giving the Turkish community about 37 per cent of the island may eventually emerge.

The negotiations that began today also deal with questions of refugees, property, and free movement of Cypriots in both of the proposed ethnic states.

Easier Divorce Law Starts Today in U.K.

LONDON, March 31 (UPI).—Divorce, English style, comes into force tomorrow, the government announced yesterday.

It said that in divorce actions which are not opposed—and some 140,000 cases last year were not—the parties will be able to arrange their separation on paper and will not even have to attend a divorce court hearing.

In Major Negotiating Shift

Panama Reportedly Accepts U.S. Role in Defending Canal

PANAMA CITY, March 31 (AP).—A prominent official said yesterday that Panama now is willing to sign with the United States a bilateral guarantee of the Panama Canal's neutrality as an inducement for reaching a new treaty on control of the waterway. The United States was given permanent rights to run it by a 1903 treaty.

In what was considered a major policy shift by the regime here, the official—who asked that his name be withheld—said Panama will accept the United States as a co-guarantor or the canal's neutrality and access to traffic of all nations.

He said: "That is what is needed to end these 14-year-long negotiations and get a draft treaty approved by the U.S. Congress."

The head of the government, Gen. Omar Torrijos, and members of the Panamanian negotiating team have said often during the last few months that treaty proposals by the United States must be rejected because they would amount to "continued American sovereignty" in Panama.

Some members of Congress have said that they would reject any treaty that does not name the United States as a co-guarantor in the defense of the waterway.

Panama made a counterproposal that the United Nations or possibly the Organization of American States protect the canal through a multilateral accord.

The official said yesterday that in return for Panamanian approval of the joint pact, the United States must agree to give Panama a "substantial portion" of the land and water currently under U.S. control in the Canal Zone.

He said that control of the land areas and the waterways is as necessary for Panama as the joint pact is for the United States.

Both a Panamanian plebiscite and the U.S. Congress must ratify a draft of the treaty before it can be put into effect.

Panama has consistently claimed that much of the land and water in the 50-mile-long Canal Zone, which is 10 miles wide, are not needed for the defense and operation of the canal.

Sources close to the U.S. negotiators say that Washington's representatives have already agreed to that demand.

Technical Details

Details on that point are still being worked out and technical teams from both countries are meeting in Washington to discuss the land and waters transfer, the sources said.

The official said that under a bilateral accord guaranteeing neutrality "the U.S. military presence in Panama now would become nonexistent."

About 9,000 U.S. servicemen are stationed at 14 military bases within the U.S.-controlled Panama Canal Zone.

The Panamanian official added that "despite the fact that they would be here no longer, they could return in an emergency—but only in a critical emergency."

Congress Orders Study of Risks in Use of Saccharin

WASHINGTON, March 31 (AP).—The scientific arm of Congress was authorized yesterday to begin an immediate study of the risks and benefits of the artificial sweetner saccharin.

The Congressional Office of Technology Assessment also was directed to study the adequacy of the animal testing currently used to determine whether a substance is capable of causing cancer.

Sen. Edward Kennedy, D-Mass., chairman of the technology assessment board, which approved the request, said the report is due within 60 days to be available as the FDA reviews its proposal to ban calorie-free saccharin, the nation's only available artificial sweetner.

The proposed decision to ban the sweetener has created considerable controversy and confusion and Sen. Kennedy said, "We badly need the kind of careful, objective and balanced assessment which the OTA has agreed to undertake."

The study was requested by all members of the Senate subcommittee on Health and Scientific Research, which Sen. Kennedy also heads.

3d Deputy Chief Named for CIA

WASHINGTON, March 31 (WP).—Robert Bowie will be deputy director of the Central Intelligence Agency for national intelligence, CIA director Stansfield Turner announced yesterday.

Mr. Bowie, 67, is the last of the three principal deputies to Mr. Turner to be named. The others are Henry Knoche and Adm. Daniel Murphy.

Mr. Bowie will be responsible for the production of the national intelligence estimates.

U.S. Bridge Scandal Explained: One Heart, One Sniff, Two Hearts

NEW YORK, March 31 (NYT).—The two experts who resigned from the U.S. International Team bridge trials in Houston in January did so after being accused by officials of having used a "sniff system," according to a statement made in Pasadena, Calif., this week by the nonplaying captain of their team, John Gerber of Houston.

According to Mr. Gerber, the sniff system is an old way of improperly conveying information to a partner at the bridge table, and he came across it in California 40 years ago. A sniff or a cough at the appropriate moment can tell a partner what to bid or what to lead.

Mr. Gerber said he decided to give his account of the events in Houston because the two players, Lawrence Cohen and Dr. Richard Katz of Los Angeles, filed suit last week against the American Contract Bridge League and three of its officials, breaking the confidentiality pact of 10 people present at the Houston meetings.

The players, alleging that they were coerced into resigning from their team and from the league, are suing for reinstatement and more than $48 million in a damage award. Lee Hazen of New York, the league counsel, said he believes that the league has a complete defense on all counts.

Mr. Gerber said he was not given detailed information on the players' alleged code but he said an official had been instructed to watch and to expect certain sniffs and coughs that duly materialized.

Carter Appeals on Women's Rights

WASHINGTON, March 31 (AP).—President Carter says that failure to pass the Equal Rights Amendment "hurts us as we try to set standards" on the U.S. commitment for human rights.

"I hope we can correct that deficit next year," Mr. Carter told nearly 1,500 ERA supporters last night. Mr. Carter said Soviet Ambassador Anatoly Dobrynin had questioned him about the seriousness of the U.S. concern for human rights in light of failure to ratify the ERA.

Mr. Carter, accompanied by his wife Rosalynn, was the speaker at a fund-raising dinner for the National Women's Political Caucus.

Florida is the next state to vote on the amendment and if it ratifies the ERA, it will be th 36th state to do so. To becom effective, 38 states must approv the ERA by 1979.

Moscow-Munich Jets

MOSCOW, March 31 (UPI).—The Soviet airline Aeroflot will begin weekly jetliner service from Moscow to Munich on Sunday, Tass said today.

Carter Is Sent A Letter Bomb

WASHINGTON, March (AP).—The Secret Service investigating a letter bomb a dressed to President Carter, spokesman said officials kne where the letter was mailed fron but he refused to provide detail

The bomb had already explo ed by the time the 9-inch-by-inch manila envelope that co tained it was delivered to th White House mail room, whic is located in the nearby E ecutive Office Building.

The bomb "apparently explo ed sometime or someplace i the mail system. Obviously wasn't a potent blast," an off cial said. He also said the lett was still intact to be delivere to the White House as a resu of the "innocuous" constructio of the bomb.

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Letter Charges Enslavement by Peking

A Chinese Said to Make Human Rights Plea in Note to Carter

By Fox Butterfield

HONG KONG, March 31 (NYT).—In a letter purportedly mailed from Shanghai, a man who described himself as a Chinese intellectual has appealed to President Carter to protest violations of human rights in China, according to a Hong Kong magazine, the Far Eastern Economic Review.

Analysts here said they could not verify whether the letter was genuine or a forgery by Chinese Nationalist agents. It bore what appeared to be a Shanghai postmark, dated March 14.

The writer of the letter, who mailed it to the review to forward to President Carter, described China as a "country enslaved to an even more miserable degree than the serfs were enslaved in Czarist Russia." The author wrote that "the 800 million people of the Chinese mainland have completely lost their human rights."

The phrase "Chinese mainland," which appears several times in the text of the letter, is seldom used in China but is a common expression in Taiwan. In the past, Nationalist agents in Hong Kong have forged letters with Communist stamps and postmarks and sent them abroad.

The author, however, appears to have a good knowledge of local conditions in China and listed by name 20 prisons, detention centers and labor reform camps in the Shanghai area. Among the ones he mentioned were the Shanghai Ti Lan Chiao Municipal Prison, the Progressive Labor Reform Farm in Tsung Ming County, and the "Single Spark Can Light a Prairie Fire" Labor Reform Farm and "May 4th Movement" Labor Reform Farm in other nearby counties.

The writer said he had been moved to write to Mr. Carter after the President's meeting with Soviet dissident Vladimir Bukovsky on March 1.

"He who represents the young intellectuals of all of Shanghai and the 800 million people enslaved by the Communist party appeals to you, Mr. President Carter. Do not forget the suffering of the 800 million people who have lost their human rights."

A spokesman for the economic review said the magazine was withholding the name of the writer to protect him, but had already forwarded the letter to the White House. The return address given by the writer corresponded to an address in Shanghai, the review spokesman said, adding that the Hong Kong Post Office had verified that both the stamps and the postmark were genuine.

Network of Camps

Analysts have long been aware of the existence of a widespread network of labor reform camps in China, but there is virtually no official information on the subject and foreigners are not allowed to visit them.

The writer of the letter also complained about the system of sending Chinese urban school graduates to the countryside to be resettled with the peasants, which he said reduced the lives of many city youths to below "those of dogs or pigs." About 14 million young persons have been resettled in the countryside since the Cultural Revolution, most of them with little hope of returning to their homes or families.

"When we graduate from the university we are sent to poor villages, if not in Tibet, then in the northern wilderness, if not in Yunnan, then in Sinkiang. We can't use what we have learned. Our future is bleak. Our whole lives will be spent in farms in faraway border regions, which in effect are labor reform camps."

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INTERNATIONAL
Herald Tribune
Published with The New York Times and The Washington Post
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SALT: A Time for Hunkering Down

Secretary Vance says he's disappointed that the Russians accepted neither of the two strategic arms proposals he brought to Moscow — the Vladivostok missile levels minus Cruise missiles and Backfire bombers, or substantial reductions—and so are we. But we are not desolate to the point of thinking that the United States should either sweeten its offer to make it more appealing to the Russians, or batten down the hatches for resumption of the cold war.

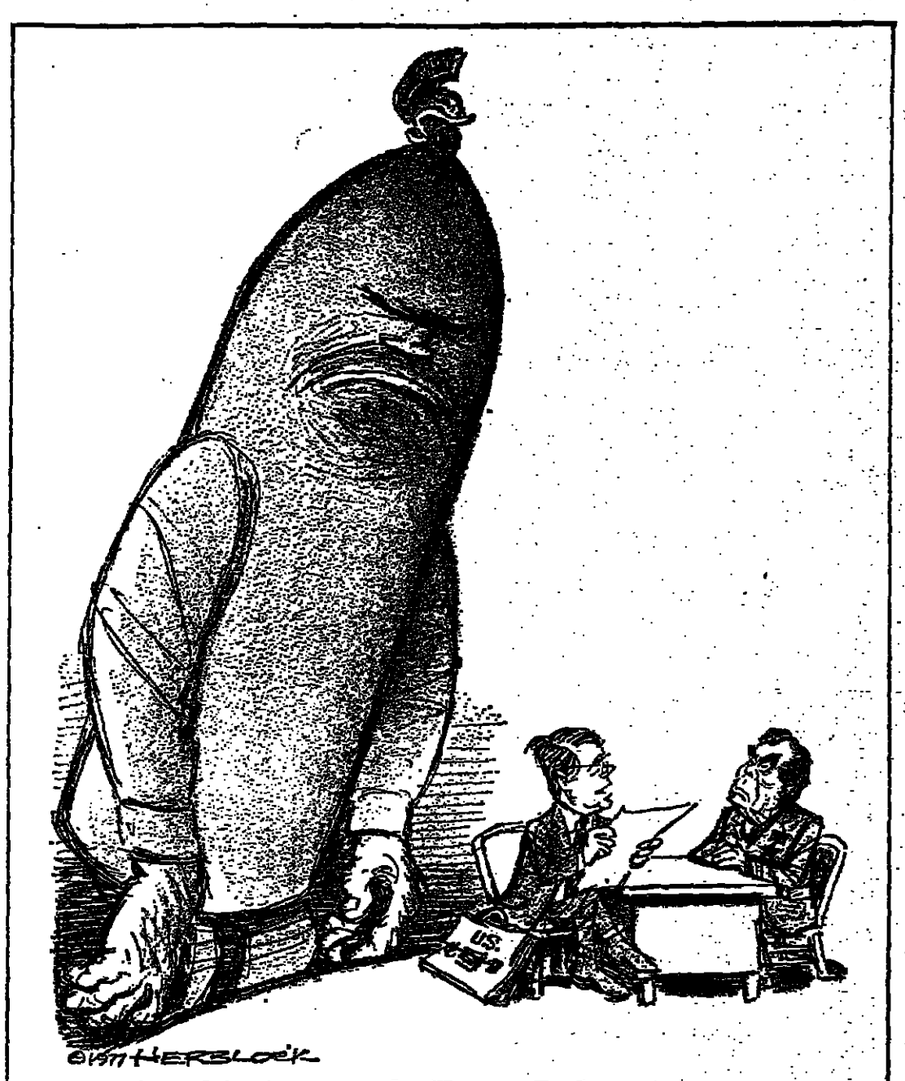
The negotiating position presented by Mr. Vance gave Moscow the chance to limit the new Cruise-missile technology in which the United States is far advanced, in return for the missile reductions in which Americans have a special interest. That offer is no less sound for the Kremlin's inability to accept it quickly. On the contrary, the position is complex and far-reaching and demanded of the Russians a measure of political flexibility that few, if any, knowledgeable Americans expected them to demonstrate on the spot. That they are interested in a better regulated relationship with Washington is evident from their agreement to set up 10 working parties on as many separate issues (arms sales, Indian Ocean, etc.). But the SALT issue obviously posed tougher problems. Their failure even to offer counter-proposals, other than to repeat their old offer to ratify a version of the Vladivostok agreement, which no longer commands a consensus in Washington, shows just how immobilized they are.

Why did Moscow react as it did? Doubtless we'll all learn more in the days to come. It is conceivable, for instance, that the Russians gagged on the human rights policy, which President Carter has made a part of his overall approach to the Kremlin. It is possible the Russians may be so bent on achieving strategic superiority that they could not have failed to reject any American proposals aimed, as Mr. Carter's were, at stabilizing at lower cost and risk a strategic balance.

Tentatively we would guess, however, that the Kremlin is coming into the grip of a succession crisis that has rendered it unable to take any but the smallest consensus decisions. That much is suggested by reports on the failing health of Leonid Brezhnev. There is much that outsiders don't know about Kremlin politics. One thing they do know is that without strong leadership the Kremlin hunkers down. If Mr. Brezhnev is ailing physically, then unquestionably he is also ailing politically, and his leadership colleagues are focused not on policy but on politics. If that is so, then that is all the more reason for Washington to hunker down as well.

To judge by Mr. Carter's remarks Wednesday he is prepared to do just that. He made it clear to Moscow that the United States prefers to serve its own legitimate security interests by pursuing mutually advantageous measures of arms control, and that he will consider taking independent steps to build major new weapons systems only if the Kremlin leadership, old or new, shows as time goes on that it rejects the American commitment to serious arms control.

THE WASHINGTON POST.



'Can We Agree on the Human Right to Survive?'

A Springtime of Diplomacy

Despite Wednesday's chill wind from Moscow, this is a springtime in American diplomacy. A new President and a new spirit have produced a thaw in attitudes toward Vietnam, Panama, much of Africa and now Cuba. They have turned thoughts to next steps with China, to new negotiations in the Middle East, to repair of the institutions of international collaboration and, above all, to control of the arms race.

It is a season of opportunity, a chance to break away from the hostilities of the past, and it will not recur in the Carter years. The President understands this and he has shrewdly claimed the advantage of his freshness in American politics and on the world scene. He must persist even if the Russians feel temporarily challenged rather than charmed by the vigor in Washington.

The chances are that Brezhnev's rejection Wednesday of Carter's approach to the next arms control agreement represented a narrow tactical judgment by the Soviet leaders. They had previously decided that a quick agreement omitting the newest American weapons system—the Cruise missile—would be too little and too late. The President's alternative, of an equally quick but significant limitation on both new and old weapons, probably struck them as too much too soon. As long as they do not miscalculate the duration of the President's high standing at home and power to push a meaningful agreement through the Senate, they have every right to test his reaction to a first refusal. The negotiations have begun, not collapsed.

If the Soviet reaction reflects a deeper resentment, against the President's concern about human rights and other exertions, so be it. Time will demonstrate that the American interest in arms control exceeds all other interests and they will be reciprocated if Soviet interests coincide. That is because in both nations the nuclear negotiations touch upon fears that override all other diplomatic ambitions. And Moscow will surely come to understand that in the pursuit of those other goals, the President intends to reestablish the American reputation and influence where he can; that is what new presidents are for.

With or without progress in the arms talks, the United States needs to restore its diplomatic reach to all parts of the globe. That alone justifies the new look at the struggling relations with Vietnam. It is particularly gratifying that good progress is reported from the revived talks with Cuba, which should be pressed beyond fishing and maritime agreements to the subject of formal diplomatic ties.

Fidel Castro has made it plain for nearly two years that he seeks to reduce his dependence on the Russians and to escape the tyranny of a one-crop sugar economy with industrialization. He cannot achieve this original dream of his revolution without hard currency, which is best obtained by selling us the nickel we need to buy.

The United States, in turn, can profit by a demonstration of maturity toward the Cubans, whose threat has always been exaggerated in American minds and whose hostility has never been altogether unprovoked. North American capitalism has survived the Castro bombast and Latin American development has shown him to be largely irrelevant. That the Cubans now see Africa as an outlet for some of their frustrations is only an added reason for giving them alternative channels of expression.

The large Cuban community in the United States can profit from renewed cultural ties with its former homeland. Castro's meddling in Puerto Rico can probably be stopped in a new relationship. The cause of human rights in Cuba can perhaps be advanced. Normal diplomatic relations should not in any case be confused with moral or even political approval. If American power and influence are to count for the maximum in world affairs, they need to be implanted in fresh soil. That is what springtimes are for.

THE NEW YORK TIMES.

'North-South' Test

Ideally, President Carter already would have enunciated a comprehensive and comprehensible policy toward the world's poorest nations, for which he expressed a special sympathy during the campaign. But he hasn't gotten around to it yet, and when he does, he'll find it's a tough job. The North-South problem, as it's called, doesn't lend itself easily to political packaging and executive-branch management, as do such matters as Soviet-American relations or the Middle East. It's messy, the economics of it are enormously complex, and the Congress imposes sharp restraints on policy. President Carter, in his public appearances and even in some of his private ones, has made the right noises. But he has not organized the administration follow-through that alone would help some of the more controversial North-South issues along on the Hill.

So it is that the United States now faces a serious political embarrassment in respect to the international lending agencies that, the administration says, constitute the centerpiece of its approach to the poorest nations. A multi-year contribution had been pledged to the International Development Association, the soft-loan branch of the World Bank, serving the most vulnerable countries. But the authorization is ensnarled in a debate over whether the aid should be tied tightly to American human rights issues (the Harkin amendment) or whether the executive should be allowed some discretion in supporting particular loans (the Reuss amendment). Not surprisingly, conservatives support the ultra-liberal position, seeing in its demands for high performance—demands that they doubt can be met—a way to kill foreign aid. Our own preference is plain: dogma, even the dogma of virtue, is not always a friend to development. There may be egregious exceptions, but, in the main, the United States cannot claim an unrestricted right to reform and transform other societies. In the long run, development—by reducing the need for repression as a method of containing popular frustration—may offer the best assurance that human rights standards will be observed. . . .

THE WASHINGTON POST.

In the International Edition

Seventy-Five Years Ago

April 1, 1902

WASHINGTON—The Union will soon have three new States added to it. A bill has just been introduced in the House of Representatives providing for the admission of New Mexico, Oklahoma and Arizona to Statehood. It is believed that the admission of these Territories will maintain the balance now existing between the Republican and Democratic parties.

Fifty Years Ago

April 1, 1927

WASHINGTON—Mr. Harry F. Sinclair, wealthy oil operator, who was convicted by a jury in his trial here of contempt, for declining to answer certain questions put by the Senate Investigating Committee in connection with the Teapot Dome oil leases, was denied a new trial by Justice Hitz today. The conviction carries a sentence of from one to twelve months.

After the Kremlin Succession

By Victor Zorza

WASHINGTON.—The Vance mission in Moscow may prove, in hindsight, to have been the last chance to restore the process of East-West bargaining initiated by the Nixon-Kissinger regime and to resume the momentum, stalled by Watergate, of the Strategic Arms Limitation Talks and the other aspects of détente, such as trade. Whether it is the last chance depends on how long Leonid Brezhnev has to go—which is probably something only his doctors know. He has not lately traveled in the West, so the CIA's chances of analyzing his urine for clues to his state of health have been severely limited.

But other kinds of analysis are available, and the CIA has engaged some of the leading scholars in the field to study the problems of the Kremlin succession. One conclusion which no analyst can escape is that every Soviet succession has been accompanied by a power struggle in the course of which the usual Kremlin differences between hawks and doves have become more accentuated. Because the contending factions need to secure the support of the military and of the KGB's secret police apparatus, the new leadership tends to make concessions to them. This makes its foreign policies less accommodating and its domestic policies more conservative.

The Pattern

This was the pattern when, after the death of Stalin, Nikita Khrushchev, the party secretary, took on Premier Malenkov and defeated him with the help of the military. After Khrushchev had paid his political debts to the military, he turned against their insatiable demands for the nation's resources—whereupon he was overthrown by Brezhnev, again with the help of the military. Brezhnev promptly paid his own debts to them, but in time he too began to balk at their demands, which produced several clearly identifiable political struggles in the Kremlin. He won some, and he lost some.

If and when Brezhnev goes, the pattern of struggle—which is determined by certain constant factors of power in the Soviet bureaucratic system—will be much the same as in previous succession conflicts. Even if the hardliners should prove less successful than they have in the past in imposing their policies on the rest of the leadership, the period of instability and maneuvering in the Kremlin would limit the scope for foreign policy initiatives and negotiations. These always require concessions by both the Soviet Union and the United States if any progress is to be made.

But a new leadership in the Kremlin, uncertain of its power, looking over its shoulders at the military and conservative factions, is hardly likely to be in a position to make any far-reaching concessions to foreigners. Its primary concern would be to consolidate its power, which would mean a series of concessions to domestic hardliners and a period of immobility in foreign policy.

Loss of Momentum

Stagnation of this kind, once it sets in, takes several years to overcome, as was proved in the cases of both Khrushchev and Brezhnev. Thus the possible loss of momentum after Brezhnev's departure from the scene could make it difficult for President Carter to present himself, in the next election campaign, as the man who deserves another four years in the White House on the strength of his foreign-policy successes.

The domestic political considerations which govern the foreign policies of both the White House and the Kremlin do not blot out the national security interests which are uppermost in the minds of both administrations. Neither Washington nor Moscow will make concessions in the strategic arms talks which might detract from the security of either country. By now they both know that this is the one law of the SALT negotiations that will never be broken—yet they both keep trying to break it, at least at the beginning of every round of negotiation, by presenting proposals which are quite unacceptable to the other side.

But this is the normal process of bargaining, as old as horse-trading. It is accompanied by a process of mutual adjustment, and of learning, which has become an outstanding feature of the SALT negotiations, and has contributed greatly to their past success. It is also accompanied, however, by the intensification of the hawk-dove struggle in each capital, where every contemplated concession brings forth the cry of "treason" from the hawks, while every hardline demand causes the doves to fear that the negotiations are reaching the point of breakdown.

Reality

The reality is less dramatic. The SALT process is not in any danger of breaking down. But if it fails to regain momentum, the result could be just as bad. The resumption of the SALT negotiations could lead to real progress only if both sides recognize that in each capital there are powerful forces which favor rapid and meaningful progress—and equally powerful forces which are opposed to it.

In Moscow, the hawks point to the U.S. military-industrial complex and to the unreliability of capitalist politicians as a reason why the Soviet Union should strive for the highest possible degree of military security, rather than make the concessions which would make SALT a success. In Washington, the hawks maintain that the Soviet leadership is united in seeking military superiority over the West, that there is no such thing as a Soviet dove, and that any concession to the Kremlin would simply weaken the United States.

CIA Disputed

Gen. Daniel Graham, the former head of the Defense Intelligence Agency, the Pentagon's own intelligence branch, who was a leading member of "Team B" which disputed recently the CIA's more moderate conclusions about the nature of the Soviet threat, argues that all talk about hawks and doves in the Kremlin is "palpable nonsense." Any such notion, he believes, can be entertained only by those "ignorant" of the nature of the Soviet state. He warns that we cannot afford more blunders based on this kind of analysis, because 'they could prove fatal."

It is, however, arguable that those who perceive some of the Kremlin's past power struggles in terms of hawks and doves—as does Zbigniew Brzezinski, Carter's national security adviser, who has spent a lifetime in the study of Soviet affairs—are not "ignorant" of the nature of the Soviet state. True, even White House advisers have been known to talk palpable nonsense. But if the White House analysis of the Soviet leadership situation takes into account the hawk-dove relationship in the Kremlin, it may be able to avoid some of the blunders made by previous administrations—and succeed in getting a good SALT agreement with Brezhnev before he goes.

China's Foreign Policy: How to Catch One Flea

By William Safire

HONG KONG—With informal discussions already under way regarding a trip by President Carter to Peking, here is what America's policy planners should keep in mind regarding the Chinese outlook on the world.

1. On the Soviet Union: A high Chinese official familiar with negotiations on border clashes said: "They refuse to recognize any disputed areas on the borders. The Soviet Union maintains that the boundary alignment drawn by them is a law that China should abide by."

But had not the Soviet Union maintained the border status quo, as promised, in recent years? "They only maintain the status quo because we will fire at them if they don't."

Strong words. But two years ago, when Teng Hsaio-ping was heir apparent, a Soviet helicopter crew that crossed the border was released. "Undoubtedly," the official conceded, "this was a gesture of goodwill toward the Soviet people." Now Teng is on the way back to a fairly high post; the likelihood is that state relations (not the party ideological clash) will gradually improve.

2. On the two superpowers. China does not want America to lower its guard: "Disarmament and SALT talks are all frauds to hoodwink the people," the official said. "Each side is trying to limit the other in order to gain superiority."

In China's national interest, the official urged Americans to shun appeasement: "The U.S. is feeding and fattening the Soviet Union, and the Soviet Union will turn back and bite you. To feed the tiger is to engender danger."

3. On the new opportunity in India. A veteran Chinese diplomat now in Shanghai said: "Personally speaking, I think it was quite natural that Mrs. Gandhi was defeated. Since she came to office, she brought disaster to the Indian people.

"In international affairs," the Shanghai official continued, "her government followed the Soviet social imperialist line, and dismembered Pakistan. If the new government wants to be popular with the people, and desires to meet their needs, it must develop friendly relations between China and India."

4. On the U.S., Taiwan, and "normalization". "In order to carry [the Shanghai communiqué] out, the U.S. must sever its relationship from Taiwan, abrogate its defense treaty and withdraw its troops," said the Peking Foreign Ministry official. "This is a civil war and has nothing to do with the U.S."

That's been the standard position. But when the official was reminded of Premier Chou En-lai's indication that the solution would be peaceful—a hint that was the basis for some American hopes for a deal—he came back sharply:

"We have never said we would eliminate Taiwan only by peaceful means. We have expressed the hope that if a peaceful solution is possible, we would like to have it, but there is a big bunch of counter-revolutionaries in Taiwan who do not want Taiwan liberated, so the only other alternative is to liberate it by force."

Surely the sophisticated Chinese know that such an assertion makes "normalization" impossible; why do they do it? Pride is involved. "How can we allow ourselves to permit the U.S. to infringe on our independence? Impossible. No room for discussion."

A Priority

With this rigidity goes a sense of priority which ought to be of interest to Carter's China advisers. It is a fact that many Americans who take a hard line toward the Soviet Union also take a hard line against pulling out of Taiwan; conversely, "normalizers" in the United States who would abandon Taiwan are also usually inclined to accommodate the Soviet Union.

Question: What, then, is the Chinese test of friendship? The answer is in their invitations. For example, though known to be anti-abrogation, I was issued a coveted newsman's visa, given an audience in the Great Hall of the People, complete with smiling picture in Peoples Daily—primarily because they see this former Nixon speechwriter as "correct" on the Soviet Union.

Asked directly which comes first in the making of a "friendship friend," the Peking official put it plainly: "In terms of the magnitude of the issues, the international situation is more important."

The direction of Chinese foreign policy is to persuade the Americans to stay strong enough to balance the Soviet Union. First things first.

"If you try to catch 10 fleas with 10 fingers," said the man from the Foreign Ministry, "then you will catch none—our principle is to use 10 fingers to catch one flea."

Letters

Curbs on Arms Sales

Andrew Pierre's comments concerning the restraint of arms transfers (IHT, March 18) are abstract in the extreme. There is little or no point in the leading arms suppliers (the United States, the Soviet Union, Britain, France) sitting down at a conference to arrive at an agreement to limit arms sales, because, even if they were able to reach a meaningful agreement, which is highly unlikely given the mutual mistrust involved, it would soon be broken or never observed by one or all parties.

Only a concrete deed can have a real effect on limiting arms sales: If one of the parties unilaterally ceases to sell arms abroad or radically curtails such sales. Obviously such a deed would be most effective if it were carried out by the No. 1 supplier, the United States. Only then would President Carter have the moral armament necessary to insist that the others follow suit. The effect this would have on the arms makers would be highly beneficial: They could convert to other, more wholesome activities. Mr. Pierre's comments are dangerous, for they cast doubt on the efficacy of self-imposed restraints.

FRANK THOMAS SMITH.
Zurich.

PLO Moderation?

The headline of the story "PLO Shows Moderation" (IHT, March 21) is belied by its contents. The "relatively moderate political platform" described in the article includes refusal to sign a complete peace agreement and escalation of guerrilla warfare—some moderation!

The fact is that the only difference between the so called "moderates" of the PLO and the rejection front is tactical. The rejection front hopes to destroy Israel at one blow. The "moderates" on the other hand wish to do it gradually by accepting a Palestinian mini-state as a preliminary stage before moving on to the final destruction of Israel.

DAVID M. JACOBS.
St. Albans, England.

Carter and Zaire

James Reston gave as an example of the "weakness" of President Carter's news conferences his statements on the Zaire intervention (IHT, 26-27 March). When asked for a clarification of the intervention Carter did not give the usual nonsense that reporters like Reston appreciate because they can then tear it to pieces. The President simply gave the pros and cons regarding intervention, indicating that as yet he did not have complete information on what was happening.

For most persons this would be answer enough, but journalists like to have something to criticize. So when Reston could not determine Mr. Carter's exact position, he decided to criticize the forum in which it had been discussed, as well as the President himself.

Rather than that, he ought to have commented on the aid that was actually sent to Zaire, its quantity and type. But obviously Reston has no very good idea of what is going on down there either.

NINA NEUSCHOTZ.
Seillans, France.

A Dry Comment

Mrs. Carter's arrogant decision that no liquor will be served in the White House calls for some comment.

1) The White House state dinners represent the hospitality of the whole of the U.S. people to important foreign guests. A good hostess tries to offer her guests what they would like or are used to. In many parts of the civilized world, a meal without wine is not a meal. Mrs. Carter is insulting and humiliating the U.S. people by her decision. As private citizens, one can refuse to go to a home that does not observe civilized customs. Heads of state *have* to go to the White House.

2) There are those that believe in the reality that anyone's "rights" are limited to what the man with the nearest gun decides they are. They are also limited to what one's hostess decides they are.

T. CARL WEDEL.
Cagnes-sur-Mer, France.

Place Your Bets

In an article about an Austrian casino chain (IHT, March 23), Charles Dick says, "In a physically demanding profession, often practiced in a highly charged atmosphere, there are no women croupiers in Austria, although they are not banned." Medical studies have repeatedly shown that women have more stamina than men and suffer less from physiological effects of tension (high blood pressure, ulcer, etc.).

The sentence should have read: "Although the profession is physically demanding, and often practiced in a highly charged atmosphere, men are not banned as croupiers."

SUSAN DESIMO
Paris.

Men's Lib

Throughout the entire geographical scope of this paper is there not one single male left with enough male hormone to editorialize, columnize or simply write a letter to celebrate the past week as an historic milestone in the struggle of the feminist belief?

Has everybody become so meek and bullied by women's lib that not a voice can be heard in defense of the events which have recently ended one woman [Mrs. Gandhi] from a position of domination (and active tyranny) over a nation and prevented another [Mrs. Thatcher] from acquiring it? Or to complete this male hat trick, Amnesty International has disclosed the extent to which Juan Peron permitted atrocities during her administration.

At last there is hope that traditional beliefs that women are not beneficially dominated by testosterone are being refuted in an avalanche of evidence. Please keep this ball rolling to ensure male liberation and a return to proven values.

THOMAS DICKS
Rotterdam.

Neruda's Memo

In his lively and well-informed review of "Memoirs" by Pablo Neruda (IHT, March 16) Leonard Gross omitted to reveal that Neftalí Ricardo Reyes Basoalto adapted his pseudonym Neruda from the Czech writer Jan Neruda, who was a pre-World War II patriot and who most certainly "didn't drink Marxist Kool-Aid neat," which, however, may well have been common knowledge in faraway Chile.

JOSEF SHEPS
Tel Aviv.

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Experiments in Humanization

Congressman's Bill Promotes The Quality of Life at Work

By A.H. Raskin

WASHINGTON, March 31 (NYT).—Contrary to popular belief, Michael Maccoby did not spring full-armored out of the primordial ooze as a stalker of victory-obsessed team captains in corporate executive suites. Long before his book "The Gamesman" started zooming up the best-seller list, Mr. Maccoby had won renown among social scientists as chief theorist for an experiment in work humanization that has been transforming fundamental attitudes toward work, productivity and industrial democracy at a Tennessee auto-parts factory.

Last week, over French toast at breakfast in the Capitol, the soft-spoken director of Harvard University's Project on Technology, Work and Character joined a legendary pioneer in reshaping the workplace, Einar Thorsrud of Oslo, in outlining to three influential members of Congress ideas that may help speed the United States along paths of labor-management innovation long familiar in West Europe.

This week, when the Economic Stabilization subcommittee of the House Banking Committee opens hearings on a bill sponsored by the host at that breakfast, Rep. Stanley Lundine, D-N.Y., the measure will have support from the two other legislators at the session—Rep. Henry Reuss, D-Wis., who heads the full Banking Committee, and Sen. Jacob Javits, R-N.Y., who has introduced a companion bill in the upper chamber.

The bill would make available $40 million in federal grants to foster projects, primarily in private industry, to make employment more secure through cooperative efforts by workers and employers to redesign jobs, upgrade skills, spur productivity and heighten job satisfaction.

As mayor of Jamestown, N.Y., before coming to Capitol Hill, Rep. Lundine helped demonstrate the practicality of such ventures by presiding over development of a community-wide labor-management committee that was instrumental in cutting local unemployment from 10.2 per cent to 4.2 per cent in a three-year period when the rest of the country was slumping into a recession.

The Lundine bill faces formidable obstacles. Most of organized labor is cool to quality-of-work experiments for fear that they can be exploited by nonunion employers to build a wall between workers and unions. Many corporations oppose them on the ground that they tear down traditional lines of authority and thus undermine plant discipline.

Within the federal government, jurisdictional jealousies between vested interests in the Labor and Commerce Departments could wreck the new initiative just as they have orphaned and abandoned the supposedly independent National Center for Productivity and the Quality of Working Life, which Congress chartered two years ago.

But roadblocks like these are not insuperable, in the judgment of so seasoned a legislative tactician as Rep. Reuss. As one who believes "small is beautiful" when it comes to ventures to generate jobs through federal stimulus, Rep. Reuss considers the Lundine approach a sensible one that involves no risk of enormous additions to the deficit and that stands a much better chance of congressional approval than would most bills put forward by a sophomore on Capitol Hill.

No Single Pattern

The experience Mr. Maccoby has gained from four years of wet-nursing the job-enrichment program that he and Dr. Thorsrud cooperated in installing at the plant of Harman International Industries Inc., in Bolivar, Tenn., offers persuasive support for more experiments, although both experts stress that no single pattern can succeed if it is applied mechanistically in a different setting.

"Ideas for change must come from all levels, top to bottom," Mr. Maccoby said, "but it requires exceptional leadership to release the creativity that exists within the work force." The crucial initial factor at Harman was the intense support given the project by Irving Bluestone, an international vice-president of the United Automobile Workers union, and Dr. Sidney Harman, president of Harman International until his nomination by President Carter to be under secretary of commerce.

The workers at Bolivar, half of them women, formed teams to perform various operations involved in the preparation, painting and packing of auto mirrors. They decided among themselves who would do what jobs, kept their own records, covered for one another in periods of absence and worked out an intricate formula for sharing with management the labor-cost savings that have resulted from the project.

The improved communications and mutual trust built up at all levels through the establishment of clear principles for joint decision-making and increased job autonomy paid off this month in the remarkable conclusion of a new wage agreement—three months ahead of schedule—without any intervention by top officers of either company or union.

"That's the real triumph of this project," commented Gus Howard, a worker in the plant's receiving department and head of the local union.

GM Support

The triumph goes well beyond Bolivar, however. Bluestone, enthusiastic over the progress there toward breaking down atavistic labor-management hostilities, has enlisted the support of the General Motors Corp. in a much more embracing experiment in job enrichment under union-company auspices at dozens of GM plants.

Similarly, now that Dr. Harman is going into government, the Beatrice Foods Co., Chicago, a conglomerate that is in process of absorbing his company, has assured Mr. Maccoby that one of the chief points of attraction is the harmonious and productive relationship that the project achieved. And Dr. Harman himself, as commerce under secretary-designate, is scheduled to lead off for the administration at hearings on the Lundine bill, embodying precisely the principles that underlay his own experiment.

For Dr. Thorsrud, the Norwegian expert, who has been involved in guiding more such ventures throughout the world than any other social scientist, the potential benefits seem boundless. He enthralled the Capitol breakfast guests with his description of the retraining programs that Norway instituted with unemployment insurance funds when the nation's idleness rate reached what was considered a calamitous level of 2 per cent at the low point of the recession.

As Dr. Thorsrud described it, the greatest success in equipping workers with new skills (through a combination of on-the-job training and community vocational schools) occurred in plants with active programs for workers to participate in industrial decision-making.



Keystone.

HISTORICAL MONUMENT—These horses' heads, carved in wood, were recently inaugurated in Mohacs, Hungary, on the spot where soldiers fell and were buried in 1526, defending nation from a Turkish raid.

EEC Will Bar Butter Sales To East Bloc

BRUSSELS, March 31 (UPI).—The European Economic Community's Commission is aware of Soviet efforts to make new purchases of EEC surplus butter, but it will act to block such deals, a spokesman said today.

He said the Commission knew that Moscow was seeking to buy up to 35,000 tons of the EEC's current surplus of 200,000 tons. He said that if any of the traders involved sought EEC subsidy guarantees, they would be turned down, and he added that no subsidies would be paid on sales after they had been contracted for without being approved by the Commission.

A report quoting the U.S. Commerce Department in Washington had said that the deal was being readied by West German businessmen.

Earlier this month, a French exporter arranged a shipment of 36,000 tons of butter to the Soviet Union, provoking a furor against the heavy EEC subsidy that made such a deal possible. Surplus butter is taken out of the market at $2,934 a ton and exporters get a subsidy of $2,129 a ton to give them income equivalent to that of world market levels.

Higher Amount

French reports said the Soviet Union actually wanted 75,000 tons but contracts for the remainder were blocked by a Commission ruling March 2 that previously automatic subsidy guarantees would be given only after verification of destination.

"Exports toward Eastern Europe remain possible without advance guarantee of subsidies," the Commission spokesman said today. "Nevertheless, the Commission has no intention of allowing that this possibility be used to export new substantial quantities of butter to Eastern Europe and will, if necessary, take appropriate measures."

Under questioning the spokesman admitted that today's statement had been prepared by Commission chairman Roy Jenkins of Britain and Finn Olav Gundelach of Denmark, the commissioner in charge of agriculture policy, and not by the entire 13-man Commission.

Market officials denied that the measure was discriminatory.

"The community is absolutely free to decide to whose benefit it will subsidize surplus sales," an official said. "No country can claim an automatic right to such sales."

Abdel Hafez, 45, Popular Singer In Mideast, Dies

From Wire Dispatches

LONDON, March 31.—Egyptian singer Abdel Halim Hafez, 45, described as the Middle East's favorite singer of Arab popular music, died in London last night during treatment for a liver illness, the Egyptian Embassy reported today.

The embassy said Mr. Hafez died in King's College Hospital.

"He was immensely popular throughout the Arab world," an embassy spokesman said.

Mr. Hafez had been coming to London every year for five years for treatment at the hospital for cirrhosis of the liver.

His concerts, especially during the spring, were attended by thousands of Arabs who flew to Cairo for the occasion.

He also toured a number of Arab capitals and was decorated by several Arab leaders.

Black Boxes, Tape

Canaries Jet Collision Data Are Sent to U.S. for Analysis

SANTA CRUZ DE TENERIFE, Canary Islands, March 31 (AP).—Four electronic boxes and a tape-recording containing information that might help unravel the cause of aviation's worst disaster, a collision of two Boeing 747 jumbo jets, left for the United States today.

A Spanish military plane left with the boxes and tape on the first leg of the trip to Washington, where the data will be analyzed. Investigators here have not been able to determine why a KLM Royal Dutch Airlines jetliner slammed into a Pan American World Airways jet on Sunday. The death toll in the crash rose to 577 Tuesday.

The shift in the investigation to the United States occurred as Pan American and KLM prepared to fly the bodies of the victims home for identification and burial. The bodies, tagged but not identified, lay in rows of wooden coffins in a hangar.

The tail of the KLM jet, the biggest piece of debris remaining from the Dutch plane, was pulled off the runway by cranes today. Workmen then turned to the wreckage of the Pan Am plane.

Valuable Information

Announcing that cockpit voice recorders and flight recorders, or black boxes, from both planes had been turned over to investigators by Spanish authorities, chief U.S. investigator William Haley called the electronic evidence "important and valuable information."

He said the black boxes would tell U.S., Dutch and Spanish investigators the speed and direction of both planes and probably would confirm interpretations that the KLM jet was airborne just before the crash.

But he indicated answers to other crucial questions were more likely to be found in the taped conversation of the jetliners' crews and the control tower just before the accident.

The Dutch investigation team has acknowledged that the KLM plane was not cleared for takeoff by the control tower. But there has been no explanation why the KLM jet began moving down the runway against all established airport rules.

Pan Am has denied a Dutch suggestion that the Pan Am plane missed the assigned taxiway turnoff.

Mr. Haley said Dutch and U.S. investigators questioned the Spanish control tower operators for 2 1/2 hours yesterday. He said a copy of the control tower tape—which Spanish authorities say shows the tower operated correctly—has been sent to the investigators in Washington.

Family Awarded $253,000 in Jet Crash in France

LOS ANGELES, March 31 (Reuters).—A Los Angeles jury has awarded $253,000 in compensatory damages to the widow and two children of a Japanese killed in the Turkish Airlines DC-10 crash near Paris in 1974.

The jury awarded the money this week to the family of Fumie Nagao, 49, one of more than 40 Japanese on the London-bound plane that crashed when a cargo door blew out shortly after takeoff.

All 346 aboard were killed in what was the world's worst aviation disaster until the Canary Islands collision of two Boeing 747s Sunday.

Most claims following the Paris crash have been settled because families agreed to waive their rights to much higher "punitive" damages against the plane's builders, McDonnell Douglas and General Dynamics.

But the Japanese families have held out for punitive damages under which they must prove the companies guilty of criminal negligence.

No date has yet been set for a trial on claims for punitive damages because the issue of whether the trial can proceed is still being argued in appeals courts.

More Arrests Are Expected In Wake of Foiled Thai Coup

By Lewis M. Simons

BANGKOK, March 31 (WP).—An abortive coup attempt that ended here Saturday has had continuing impact with the arrest of bureaucrats, a ranking police official and others deemed "sympathetic" to the take-over.

By today, seven civilians were being held, in addition to the five alleged coup plotters, all active or retired military officers, and three other senior army officers. More arrests are expected as police, backed by the army, continue to probe for clues.

The atmosphere in Bangkok is reminiscent of the sweeping arrests of reputed Communists and other leftists following the successful coup in October against an allegedly left-leaning civilian government. The basic difference is that this time the suspects are all rightists.

The link between the military forces that attempted to overthrow the present military-backed regime and those civilians suspected of complicity seems to be the former Chart Thai (Thai Nation) party.

The party played an active role in the unsuccessful civilian coalition government led by former Premier Kukrit Pramoj in 1975-76. The party's leaders were former Maj. Gen. Pramarn Adireksarn, who was Mr. Kukrit's defense minister, and Maj. Gen. Chatichai Choonhavan, the foreign minister in Thailand's first democratically elected government.

In his role as defense minister, Gen. Pramarn plucked Gen. Chalard Hiranyasiri out of the chain of command and appointed him deputy army commander.

When the successor government to Premier Kukrit's regime, led by his elderly brother Seni Pramoj, was toppled in a coup d'état by the present regime in October, it was widely believed that Gen. Pramarn, Gen. Chatichai and Gen. Chalard had been planning their own coup.

Visit to Switzerland

But they were outwitted by the group of officers who seized power under the nominal leadership of Adm. Sangad Chaloryu. Gen. Chatichai then left Thailand for an extended visit to Switzerland. He returned to Bangkok several weeks ago.

Gen. Chalard entered a Buddhist temple as a monk, from which he emerged early Saturday, apparently to lead the attempted coup. Gen. Pramarn remained in Thailand, but assumed a very low political profile.

Some observers believe that it is just a matter of time before the tightening police dragnet closes in on the former Chart Thai party leaders. Officials have denied suggestions that the names of Gen. Pramarn and Gen. Chatichai were on a list distributed to all departure points from Thailand forbidding them to leave.

Romanian Sports Aide Seeks Greek Asylum

ATHENS, March 31 (AP).—A Romanian athletic trainer has asked Greek authorities for political asylum after hiding in this country for more than a week, police reported yesterday.

The trainer, Liviu Groza-Cantemir, left a Romanian cross-country team and disappeared from its hotel shortly after arriving in Tripolis in southern Greece, the police said.

ENTERTAINMENT

Lido Housewarming Brings Roof Down

By Thomas Quinn Curtiss

PARIS, March 31 (IHT).—The Lido is celebrating its move to new quarters in the Normandie Cinema building with an exuberant housewarming, its most ambitious revue, "Allez Lido!"

The new Lido is a theater-restaurant of broad proportions and elegant design that slants toward the stage. It accommodates 1,300 at the tables. At curtain time, the ringside section sinks to the level of the performing space so that all may see.

Fur-trimmed Bluebell girls in Falco's creations of shocking yellow, green and orange, Bluebell models in feathered headdress and plumed capes (but with little else) and Kelly boys, white-cloaked and white-topped, sing and dance the rites of the opening to a medley of Gershwin melodies. The toast is to Paris; the music American, a sample of the cosmopolitanism of the show.

Scenically, the show travels far and wide. There is "Symphonie de la Mer" with a Greek fishing village setting that, after a display of folkloric celebrations, moves on to the Aegean Sea to a tempest and a shipwreck. The theft of the Mona Lisa from the Louvre is re-enacted. There is a sky battle; a helicopter hovers above the heads of the audience firing on the getaway plane in flight over the museum's roof. A misty London rises to the accompaniment of Gershwin's "Foggy Day" and the embankment disappears to reveal the Thames, frozen for the first time since James I's court walked its stilled waters, so that Kiki and Clive, the expert skating duo, may glide gracefully on its surface and indulge in a breathtaking acrobatic swirl.

The most ingenious and magnificent of the production numbers is a series of exotic tableaux of ancient and modern Japan: the Rue Chaude of Tokyo with its picturesque commerce and bustle, a glimpse of the Kabuki theater, the Kelly boys as lantern lighters in the Japanese dusk and the Bluebells at a butterfly festival, prefacing the imposing scene of the Imperial Palace gardens suddenly hit by an earthquake and a tidal wave simultaneously. A gushing torrent, sweeping all before it, cascades down to the footlights. Falco's costuming and Bristow's scenography here equal Ziegfeld at his most glamorous and expansive.

Between these striking pictorial episodes are a blue-ribboned collection of specialty acts. The blonde Kessler twins, Ellen and Alice, appear as pink Marlene Dietrichs to render "Falling in Love Again" and other amorous laments and execute a refined striptease. Kris Kremo is a slick juggler and The Rios vault to applause through their equilibristic feats. The Austrian ventriloquist George Schlick is a droll artist in his conversations with his shy rabbit and Donald Duck. When he called upon two first-nighters to come on stage to open and close their mouths mutely while he spoke their snappy exchanges for them, he brought down the house.



The grand finale pays tribute to the Broadway hit musicals of recent times: "Chorus Line," "Mame," "My Fair Lady," "Cabaret" and "Hello Dolly," capsule replicas worthy of their originals. The festivities end appropriately with a rousing chorus of Irving Berlin's "There's No Business Like Show Business."

Verve, style and zest, with an unerring instinct for form and precision, convert the new René Fraday-Pierre-Louis Guérin revue in Donn Arden's magic production into a marvel of taste, timing and thrills, an exemplary entertainment. The Lido this time has surpassed itself.

MUSIC

A Promising Rejuvenation at Radio France...

By David Stevens

PARIS, March 31 (IHT).—The spectacular revival of the Paris Opéra and the prestige label on the 10-year-old Orchestre de Paris have tended to obscure the rejuvenation of the musical wing of Radio France, which through its own public concerts, and resulting broadcasts and recordings, can touch a vastly larger audience than any other musical organization in the capital.

It maintains two large orchestras, an adult and a children's chorus—about 450 musicians. It puts on its own public concerts—more than 130 in Paris this season, 60 of them included in a recently instituted subscription program that so far has about 5,000 subscribers. It broadcasts these programs on radio, and sometimes television—last Friday's direct telecast of Beethoven's Ninth Symphony with the Orchestre National under Lorin Maazel reached an estimated audience of 15 million.

The statistics, as such, are more indicative of potential than content. Radio France and its orchestras have acquired over the years a reputation for lethargic, often poorly prepared performances that will take time to live down. But an energetic start has been made in the last couple of years under Pierre Vozlinsky, Radio France's director of music.

Vozlinsky has spruced up the radio's orchestras through a series of steps—early retirements, aggressive recruiting, and changes in the musicians' contracts that make radio jobs more desirable. One result is that the radio has hired four violinists from the Paris Opéra orchestra in the last year, one (Patrice Fontanarosa) to be concertmaster of the National (auditions begin in April to choose a second concertmaster) and three to be co-concertmasters of the Nouvel Orchestre Philharmonique.

Badly Dented

Another task has been to restore the prestige of the 116-member National—now newly titled the Orchestre National de France—which was badly dented in 1967 by the creation of the Orchestre de Paris.

"There are two objectives with the National," Vozlinsky said. "One is to make it active on the international level by bringing in conductors like Bernstein or Maazel. The other is that, although the National plays mainly the standard repertory, it should be normal that it also plays contemporary works."

On the prestige level there have been some spectacular results, such as Berlioz's Requiem and a series of Ravel concerts under Leonard Bernstein, the concert performances of "Tosca" and "The Queen of Spades," under Mstislav Rostropovich, all of them resulting in recordings, and last Friday's Beethoven concert under Maazel.

The National has no permanent conductor. "There are no permanent conductors anymore," Vozlinsky remarked. "That system can't be applied the way it was before the war." Instead, he has brought in a series of outstanding younger conductors who work with the orchestra for extended series of concerts.

Conglomerate

More innovatory was the creation last year of the Nouvel Orchestre Philharmonique, a kind of musical conglomerate of 136 instrumentalists that replaces three former Radio-France orchestras. It rarely appears in full force, but is broken up into various ensembles according to the needs of its various concert series—symphonic, sacred music and operatic, plus the fact that the NOP carries the major responsibility for the contemporary repertory.

Its director is Gilbert Amy, the 40-year-old composer and conductor who was Pierre Boulez's successor as head of the now-defunct Domaine Musical. As the head of this "megaorchestra," as Vozlinsky likes to call it, and its principal conductor, Amy is probably the most influential musical personality in the radio's music complex, given the NOP's multiple activities and Amy's own stature in the contemporary music scene.



Roger Picard

Gilbert Amy

"I am very satisfied with the orchestra," he said, "in particular with the young wind players. The orchestra's average age is relatively low—about 35— and it is stimulating to work with." He described the center of gravity of the NOP's activities as the classics of the first half of this century, "which should be part of this orchestra's repertory," as well as the repeated performing of worthwhile works that are often heard once and dropped.

A typical way in which the NOP can be used is tonight's concert at the Radio France home on the Right Bank. Under the title "Géométries Variables," the evening is divided into four parts and split between the large and small auditoriums at the radio. The works are 20th-century classics (Schoenberg, Stravinsky, Debussy) and by living composers (Betsy Jolas, Ivo Malec, Klaus Huber), and the ensembles involved vary according to the works chosen rather than vice versa. An interesting didactic touch, characteristic of Amy, is the juxtaposition of two versions of one work, the 1920 and 1947 editions of Stravinsky's Symphony for Wind Instruments.

The radio's lyric program, under Jean-Pierre Marty, concentrates on opera, usually rarities, in concert form. This year's season comprises 18 programs, "not one of which duplicates what is done at the Opéra," Vozlinsky emphasized. The next program, on April 6, offers Dargomijsky's "The Stone Guest" and Stravinsky's "Mavra," both sung in Russian with several Bolshoi soloists.

"The important thing about the radio," Vozlinsky said, "is that it produces its own programs 100 per cent and possesses the technical vehicle for broadcasting them. This represents a considerable volume of *objets sonores*, and thanks to the tax on radio and television sets, it costs the state nothing."

...And Changes at France Musique

By Michael Zwerin

PARIS, March 31 (IHT).—Last Saturday at 9 a.m. France Musique broadcast a program called "Etude." The title covered electronic jazz, Mahler, Gregorian chants, Monteverdi, Poulenc and Chick Corea.

Tuesday at midnight: the popular music of India, followed by "Synthesizer Madness." A dossier on Richard Wagner. A half hour of bebop pianist George Wallington. Countertenor Alfred Deller conducted a public rehearsal.

Last Sunday: "Jazz and Death." Ionesco played his favorites... including Julie Andrews's "My Fair Lady." Listeners identified and compared several interpretations of the same sonata. A concert featured the "Kraut Rock" group CAN.

All of this takes place under the direction of Louis Dandrel. When he took charge of the national French station France Musique in 1975, he started spewing slogans like a salesman: "There's an 's' at the end of Musique... The First Radio in Living Color..."

A former music critic for Le Monde, he arrived with young producers and detailed reforms. He wanted to provoke listener participation, inform as well as broadcast and open the station to every form of music.

Last May 29, for instance, was declared "*Jour J.*" Hundreds of thousands of tracts were mailed suggesting that amateur musicians all over France organize concerts that day and record them if possible. Accordion bands, chorales, folk, rock or jazz groups, chamber music... any music would do.

Archive of Amateurs

Twelve hundred recordings are now in the station's archives, an inventory of amateur French music, pieces of which have been broadcast throughout the year. This May 28 will be a second "*Jour J.*"

Dandrel is a compact, energetic man in his late 30s who speaks with fervor: "We think categories are dangerous. France Musique used to be a station for the adult bourgeois elite. By that I mean from Bach and a little earlier through Ravel and a little later, plus some antediluvian jazz. Anybody wanting to hear anything else was excluded.

"This meant that youth in particular was forced into the arms of commercial radio, the lowest possible common denominator. We introduced on the same station, totally equal in time and prestige, Bach, Thelonious Monk, Moondog, The Beach Boys, Terry Reilly, Georges Brassens and all kinds of non-European music. That says something sociologically.

"I'm against radio that divides generations and classes. Culture does not exist without political implications. We don't have the power to change anything politically, but we do want to create conditions making change more likely. We hope we are contributing to an atmosphere of democratization."

Democratization was given as the reason when President Valéry Giscard d'Estaing split up the mammoth ORTF broadcasting complex in 1974. Many journalists believe the real reason was to be able to control the unions more easily.

Whatever the reason, France Musique has been broadcasting the most eclectic collection of sounds in the world 19 hours a day ever since. (The other national stations, France Culture and France Inter, remain more or less unchanged.) Though there is some official backlash, Dandrel is protected by polls indicating a 20-per-cent listener increase.

In the beginning, polls dipped. Non-European music was particularly unpopular: "Who cares about the music of Bali, all those water drops on pans . . . I got kicked out of Algeria and I don't want to hear Arab music on French national radio . . ." But that has tapered off.

Producer Pierre Lattes: "This station used to be based on the principle that you can't get people to listen to music they don't like. Our idea is that no music is intrinsically better or more valuable than any other. There is simply music. If we have helped some people realize that, if that is all we ever accomplish here, it will have been worth it."

Dandrel puts it another way: "We want to oblige people who are tempted to stay blocked in their little universe to confront other cultures."

Producer Eric Dietlin: "I want to build a totally original form of presenting music, unpredictable and with a maximum of diversity."

Lattes: "As far as I know, there's nothing else like it. Dandrel had to cut through an incredible amount of red tape, both inside the station and out. He's still too busy with bureaucratic distractions to concentrate enough on programming. But he managed, he had the strength, which I wouldn't have had. It may sound a bit silly to talk like this about a boss, but I have a lot of admiration for him. I've been in radio for years and believe me, I can appreciate what the kind of freedom we have here means."

SHARPS AND FLATS

MUNICH—Emmylou Harris will be featured at the Kongressaal des Deutschen Museums April 2 at 8 p.m. followed the next night by Jack Bruce. Clark Terry and his Big Band will be at the Domicile April 4-6 and Bad Company at the Olympiahalle April 7 at 8 p.m.

* * *

LONDON—The Monty Alexander trio and the Kathy Stobart quintet come into Ronnie Scott's for one week on April 4, replacing Joe Pass and the Stan Tracey quartet.

* * *

COPENHAGEN—Lennie Bluett is appearing nightly at the Sheraton Hotel King's Court Bar through the month of May.

* * *

The Delta Rhythm Boys, winding up their Swedish tour, are in Orebro April 1 and 2 at the Frimurarelogens Restaurant; in Falun April 4 at the Grand Hotel and in Boras April 5 at the Grand Hotel.

* * *

PARIS—The Club Campagne Première is offering Cherry Vanilla April 1 and 2 and Jackie Higelin from April 1-9. Jack Bruce and his band are at the Pavillon de Paris April 1 at 8 p.m.; Black Sabbath and AC-DC at the same place April 5, also at 8 p.m.; and the next night in Colmar at the Parc des Expositions at 8 p.m. Bill Coleman at the Caveau de la Huchette April 5-8 and Kenny Clarke, Lou Bennett and Jimmy Gourley at the Club St. Germain through April 7.

* * *

Paris-based American singer Jeane Manson has recently received the award of "Best New Singer of 1976" from the French movie industry, a rare distinction for a non-French performer. Her hit record, "Avant de Nous Dire Adieu" (Before We Say Goodbye), has already sold well over 1 million copies throughout the world, and another song, "La Chapelle de Harlem" is currently high on the French charts.

—FRANK VAN BRAKLE

Eurovision Contest Rescheduled in U.K.

GENEVA, March 31 (UPI).—This year's Eurovision song contest, at first cancelled because of labor troubles in Britain, now will take place after all on May 7 in London, it was announced today.

The European Broadcasting Union, coordinating agency for the West European Eurovision television network, said that the British Broadcasting Corp. has settled a labor dispute and can now go ahead with the show, which was first scheduled for April 2.

NYSE Nationwide Trading (3 O'clock) March 31

1977 High	1977 Low	Stocks and Div in $	P/E	Sls. 100s.	High	Low	3 p.m. Quot.	Ch'ge Prev. Close
37½	32¾	OCF Ind 1.80	8	37	34½	34⅛	34⅜	+ ⅛
4⅞	4⅜	AJ Ind	7	55	4¾	4¾	4¾	
22¼	20½	AMF 1.24	10	417	20⅞	20⅝	20⅝	— ⅛
15¾	13⅝	APL Cp 1	5	7	13¾	13¾	13¾	
40¾	35½	ARASv 1.32	10	105	39⅛	38¼	39	
23⅞	17¼	ASALtd .80		53	20¾	20½	20½	— ⅛
10¼	9⅝	AT Inc .40	6	19	9⅞	9¾	9⅞	— ⅛
49⅞	42¼	AbbtLab 1	13	54	44	43¾	43⅞	+ ¼
13¼	9½	AcmeClv .50	22	40	12⅛	11⅞	12	+ ¼
2½	2¼	AdmDg .04	5	7	2⅜	2⅜	2⅜	
12¼	11⅝	AdmEx 1.15e		27	12	12	12	
5	3⅞	AdmMil .06e	7	1	4	4	4	+ ⅛
14⅛	10¾	Addrssg .10e	17	64	11	10⅞	11	+ ⅛
32⅝	29⅛	AetnaLf 1.20	8	178	29⅞	29⅝	29⅞	+ ⅛
14½	10½	Aguirre		10	14	14	14	
18⅝	15⅛	Ahmans .40	6	75	18⅜	18⅛	18¼	
3⅞	3	Aileen		62	3⅛	3	3⅛	⅛
35⅞	28⅛	AirProd .20b	12	115	28⅞	27⅞	28⅛	
16⅞	12⅞	AirbnFrt .60	11	29	13⅞	13¾	13⅞	— ⅛
32⅜	25¼	Airco 1.25	6	19	29⅜	29½	29⅝	+ ¼
19⅞	16	Akzona 1.20	40	28	18⅛	17¾	18⅛	+ ⅜
116½	110	AlaP pf 11		z70	114½	110	114½	+ 1¼
21½	15	Alaskin .61e	7	27	16⅛	16	16⅛	+ ⅛
20⅞	17¾	Albanyln .72	6	1	17⅞	17⅞	17⅞	
6⅞	6	AlbertoC .36	15	6	6¼	6⅛	6¼	+ ⅛
27¼	19⅝	Albertsn .80	9	57	22⅛	22	22	— ¼
27⅞	22⅛	AlcanAlu .80	23	120	26⅝	26¼	26½	+ ¼
22⅝	19½	AlcoStd .96	7	4	21	21	21	— ⅛
23¼	18¾	AlconLb .32	14	23	19½	19¼	19⅜	
8⅞	6⅛	Alexdrs .36r	7	5	6⅞	6⅝	6⅝	
14	11⅞	AllegCp .90e	7	23	13½	13⅜	13½	
23⅞	21¼	AllgLud 1.53	7	18	23½	23⅛	23¼	
43⅛	39½	AllgLud pf 3		2	42½	42½	42½	¼
22⅞	20⅞	AllgPw 1.68	8	186	20⅞	20½	20¾	
14⅞	13⅞	AllenGrp .70	7	6	15⅞	13⅞	15⅞	+ ⅛
47⅞	33¾	AlldCh 1.80	10	99	42⅞	42⅜	42⅞	
12⅞	10¼	AlldProd .60	21	1	10⅞	10⅞	10⅞	+ ⅛
46⅞	41	AldStr 2	6	22	43	42⅞	43	+ ⅛
28⅜	21¼	AlldStr wi		1	21⅝	21⅝	22⅛	+ ⅛
56	50	AlldStr pf 4		z10	51½	55½	55½	+ 1
3⅞	2¾	AlldSup		10	3⅛	3	3⅛	
30	23½	AllisChal .90	6	76	28¾	27⅞	28⅛	— ⅛
30	23½	AllisChal .90	6	76	28¼	27⅞	28⅛	— ⅛
9½	8⅝	AllrtAut .60	6	1	8⅝		8⅝	
18⅞	15	AlphPrt .72	4	5	18	17⅞	18	
69⅞	50½	Alcoa 1.40	14	203	57	56¼	56¾	+ ¼
57¾	46⅞	Amax 1.75	11	29	49	48⅝	49	+ ¼
59¾	48¼	Amax pf 3		3	51⅝	51⅝	51⅝	+ ⅛
25½	21⅞	AMBAC 1	8	75	24½	23⅞	23⅞	
20½	17⅞	Amerce 1.20	6	5	17⅞	17¾	17¾	— ⅛
35¼	29½	AHess .60	8	227	30⅜	30	30⅛	
80¼	66½	AHes pf 3.50		1	69½	69	69½	+ ¼
14¼	10	AmAir	5	221	10¼	10	10	— ⅛
15⅞	14⅝	Amcord .60	4	21	14⅞	14¾	14¾	— ⅛
15	13⅛	AmBaker 1	5	5	13⅝	13⅝	13⅝	
45⅝	43	ABnds 2.92	10	143	44	43⅞	43⅞	— ⅛
26	23¾	ABrnd pf1.70		10	24	24	24	
42⅞	37	ABdcst 1	10	471	41	40¼	41¼	+ ¼
11⅞	10½	AmBldM .50	7	4	10½	10⅜	10⅜	
40½	23½	AmCan 2.40	8	177	39½	39¼	39¼	
24	22½	ACan pf 1.75		3	23½	23	23	
2½	2⅛	ACentry		5	2⅜	2⅜	2⅜	
17⅞	16	AmCred .31e	5	32	16½	16⅛	16⅛	+ ⅛
29¾	25¼	ACyan 1.50	9	325	25½	25⅝	25⅝	
12½	9½	AmDistl	11	5	10⅛	9⅞	10	
27½	25¾	ADistTel .84	11	42	26	25¾	25¾	— ¼
8	7⅞	ADualVt		17	7⅞	7⅞	7⅞	

ADVERTISEMENT

Flash...Paris Bourse

MARCH 31, 1977 (In French Francs)

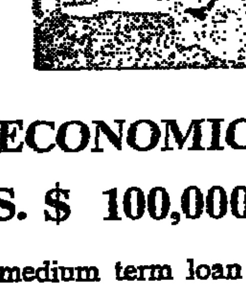
COMPANY	INDUS.	1976-77 HIGH-LOW	CLOS. PRICE Mar. 31	MON.-WED. HIGH.-LOW	P/E	b YIELD (%)	EARN. PER SHR.— '73, '74, '75	SHRS. OUTS. (000)	LATEST COMPANY NEWS
AQUITAINE	Petrol.	397 - 250.50	255	268.90 261	8	5.9	42.63 - 89.14 - 83.00c	9,549	Fr. 16 dividend (vs. Fr. 15) to be proposed at shareholders meeting.
ASSUR. GROUPE PARIS	Insurance	318 - 207.50	228	233.50 - 230	8	4.8	9.96 - 13.27 - 28.22	2,623	AGP S.A.-Cie du Midi merger early April (Group already holds 30%).
BOUYGUES	Construct.	537 - 240	276.50	292 - 286	11	7.2	47.50 - 50.73 - 25.92c	600	Group 1977 overseas turnover could very well exceed 25%.
BSN GERVAIS DANONE	Glass.food	736 - 395	381	404 - 395	—	6.6	102 - 28.38 - —24.39c	2,332	Group '76 estimated consl. turnover = 11.656 MF vs. 9.987 MF (+16.7%).
CHARGEURS REUNIS	Shipping Air trans.	208 - 151	153	167 - 155	9	7.2	9.50 - 16.96 - 16.41	1,866	Airline subsidiary UTA '76 sales = 2,061 MF (vs. 1,689 MF in '75)
CHIMIQUE ROUTIERE	Public works	152 - 86.20	95.50	97.90 - 97	5	7.3	9.74 - 11.18 - 18.02c	1,672	SFEDTP '76 consol. turnover = about 1.5 billion Fr., up 40%, mainly overseas.
CREDIT COMM. FRANC.	Bank	161.50 - 92.80	93	95.10 - 92.80	6	7.5	13.02 - 10.36 - 15.85	5,758	'76 net profit = Fr. 68.10 mil. vs. 72.99 mil. Div. up to Fr. 7.40 vs. Fr. 7.00.
CREDIT INDUST. COMM.	Bank	147 - 85.70	91.10	94 - 92.10	8	7.1	8.63 - 6.77 - 10.84	4,528	From Dec. '75 to Dec. '76 CIC customer deposits increased by 15.1%.
CREDIT DU NORD	Bank	95 - 52.90	52.50	53 - 53	8	10.5	6.72 - 5.54 - 6.64c	4,800	1976 net profit = 5,663,137 Fr. vs. 31,851,318 in 1975.
CREUSOT-LOIRE	Heavy ind	173 - 81	82.50	85.20 - 81	9	9.7	15.98 - 28.13 - 9.62c	3,684	Company to maintain same net dividend of Fr. 8 for 1976.
EURAFRANCE	Holding	207 - 149	147	151 149	4	7.5	(non signif.) - 36.50	2,193	Oct. 1, '75-Sept. 30, '76 profit = 27 MF (+19.5%). Fr. 11 dividend (vs. Fr. 10).
FERODO S.A.F.	Autom. Equip.	488.90 - 315	320	344 - 330	11	5.5	42.10 - 23.02 - 29.27c	1,497	'76 net profit = 43.12 MF (up 73%). Net dividend Fr. 18.80 vs. 17.60 in '75.
GEN. OCCIDENTALE	Holding	193 - 162	173	175.80 - 175	6	3.2	— - — - 26.94c	2,806	Through Agrifurane subsidiary, 45% holding taken in Express Group.
IMETAL	Mining	124.70 - 78.10	83.10	87.50 - 85.80	34	4.0	7.59 - 17.97 - 2.44c	7,944	Copperweld (U.S.A.) 1976 net profit = 18.9 M$ vs. 18.4 M$ in 1975.
MOET-HENNESSY	Beverag.	621 - 315.50	300	331 - 315.50	27	2.6	31.77 - — - 11.00c	3,157	'76 turnover (ex-taxes)—champagne, cognac, perfume—1,324 MF vs. 1,132 MF.
NORD (Compagnie du)	Holding	28.20 - 19.80	20	20 - 19.95	69	7.0	2.03 - 0.18 - 0.29	13,415	'76 net profit = 23 MF vs. 3.9 in '75. Div. up to F. 1.50 per share vs. F. 1.40.
PECHELBRONN	Hold (fin.)	88.10 - 66	69	69 - 68.20	6.	8.7	11.71 - 6.52 - 10.76	2,825	68.4% of capital obtained in bid for Hauts Fourneaux de Chasse (Lyons).
PECHINEY-UG.-KUHLM.	Chem.min	119 - 65	66	69.90 - 66.90	—	7.6	14.50 - 29.50 - —6.30c	15,162	Net dividend proposal of Fr. 5 (same as 1975) at June 22 meeting.
PSA PEUGEOT-CITROEN	Holding	409.80 - 188	209	222.50 - 214.60	4	4.8	71.04 - 38.24 - 54.71c	9,351	'76 non-consolidated net profit = 327.6 MF vs. 112 MF in 1975.
RAFFINAGE (Cie Fr.)	Petrol.	129.70 - 64	70.20	74.50 - 73.20	—	—	15.84 - — - —	6,450	Fr. 6 net dividend to be proposed at next shareholders meeting.
REDOUTE	Mail order	723 - 520	514	538 - 536	16	2.9	35.94 - 35.87 - 31.18c	926	Turnover March 1-Nov. 30, 1976, period = 1,760 MF (up 15%).
ROBECO	Investm. Comp.	384 - 310	362.60	375.50 - 374.70	—	3.4	(not relevant)	22,572	Robeco total cash dividend for 1976 amounts to Fr. 25.07.
SKIS ROSSIGNOL	Ski manuf	1980 - 1578	1450	1628 - 1578	28	1.7	84.64 - 71.76 - 52.21c	866	Group consol. turnover 1st qu. '77 (w. U.S. subs.) = 427.6 mil. F. (+35.53%).

(b) Tax credit not included. C: Consolidated.

(Continued on Page 3.)

March, 1977

This announcement appears as a matter of record only.



EUROPEAN ECONOMIC COMMUNITY

U.S. $ 100,000,000.

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The bonds having been sold, this announcement appears as a matter of record only.

NEW ISSUE

31st March, 1977

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Union Bank of Switzerland (Securities) Limited

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BUSINESS

INTERNATIONAL
Herald Tribune

FINANCE

Published with The New York Times and The Washington Post

PARIS, FRIDAY, APRIL 1, 1977

U.S. to Propose New Energy Fund

By J.P. Smith

WASHINGTON, March 31 (WP).—The Carter administration will make a proposal at the upcoming London economic summit to create a new fund in the World Bank that could unleash the energy-producing potential in less-developed countries.

The fund, which could eventually amount to $1 billion, represents a major shift in U.S. policy from a quiet opposition to using World Bank funds for financing energy development in poor countries.

The proposal, citing no specific funding level, was approved at a recent meeting of the cabinet-level Economic Policy Group, chaired by Treasury Secretary W. Michael Blumenthal. The U.S. share in the energy development fund could be from $200 million to $300 million, administration sources said.

The proposed development fund, if approved by the major industrialized countries at the summit, will be presented at the ministerial meeting of the 27-nation Conference on International Economic Cooperation—the North-South talks—to begin in Paris, May 31.

Administration sources expect members of the Organization of Petroleum Exporting Countries, including Saudi Arabia, Kuwait and Iran, may also contribute to the World Bank fund. Saudi Arabia and Iran are members of the North-South talks.

The energy fund would provide loans, at near market interest rates, to developing countries such as Pakistan, Zaire, Angola and Brazil, which have a potential for energy development.

The purpose of the fund is to assist non-OPEC developing countries to reduce their balance-of-payments burden, and to increase non-OPEC energy production. The developing countries have been severely affected by the rise in oil prices since 1973. According to Treasury estimates, these countries paid $18 billion for oil imports last year.

A 1976 World Bank study concluded that the non-OPEC developing countries "are well-endowed with energy resources, and could increase oil production by about two million barrels a day by 1985." Some U.S. officials say potential oil production could be higher.

The non-OPEC developing countries account for less than 10 per cent of world energy consumption, despite the fact they have almost half the world's population.

In recent years demand for oil in non-OPEC developing countries has increased at a rate of 7.5 per cent a year, higher than the rate of growth in industrialized countries.

The World Bank study estimated these countries would have to invest $2.7 billion a year (in 1973 dollars) through 1980 to increase oil output to two million barrels a day by that year.

Officials here say the World Bank fund would be used in connection with those provided by multinational oil companies. Gulf Oil, for example, is said to be interested in negotiating an agreement with Pakistan to develop known oil resources in that country. World Bank participation sources said, would reduce the political risk of expropriation without recompense.

The World Bank's role would also provide an implicit assurance, sources said, that host countries and companies would live up to terms of contracts signed with multinational oil companies.

In recent weeks, officials from British Petroleum, Gulf and discussions with World Bank and Mobil Oil have had informal administration officials to discuss a wider role for the bank in financing energy development.

Oil industry and World Bank officials said significant increases in oil production could come from India, Brazil, Egypt, Malaysia, Mexico and Peru. Mexico offers the greatest potential as a net exporter.

Foreign Units of U.S. Firms To Increase Capital Outlays

WASHINGTON, March 31 (Reuters).—Foreign affiliates of U.S. companies expect to increase capital spending by 12 per cent this year to $28.9 billion following a decline of 4 per cent in 1976, according to a Commerce Department survey.

The planned increase for 1977 is concentrated in a few countries and industries, and partly reflects the postponement of a large number of projects from 1976 to 1977.

The depressed level of spending in 1976 was widespread—the result of the limited economic recovery and the continued under-utilization of existing plant.

Oil companies plan a 19-per-cent increase in overseas spending this year to $11.1 billion following a decrease of 2 per cent in 1976, the department said.

Manufacturing companies plan an 11-per-cent increase in spending to $11.8 billion following a drop of 5 per cent in 1976. But mining companies plan to cut spending 6 per cent to $800 million following a decline of 24 per cent last year.

Capital spending in the developed countries is scheduled to rise 12 per cent to slightly over $20 billion. In the developing nations, expenditure is expected to rise 22.6 per cent to $7.6 billion.

Firms' Obligations Abroad Mooted at OECD Meeting

By Jack Aboaf

PARIS, March 31 (AP-DJ)—Marc Eyskens, Belgium's secretary of state for regional economy, indicated today that parent firms are likely to be held "morally responsible" for their overseas units under the "code of conduct" for multinational corporations adopted last June by member governments of the Organization for Economic Cooperation and Development.

Mr. Eyskens said in an interview that there was a "large majority" among delegates of the OECD committee for international investment and multinational enterprises who felt that "a multinational group as a whole, and its parent in particular, are morally responsible" for the operations of their overseas subsidiaries.

The Belgian official attended today's meeting to present what is generally recognized as a "test case" for the OECD guidelines: the closing down of Badger-Belgium, a unit of Badger Co, which itself is a wholly-owned subsidiary of Raytheon Corp. of the United States.

Badger-Belgium terminated its activities last January and dismissed its 250 workers without severance pay in violation of Belgian law.

"I asked the committe to explain the real sense and interpretation of the guidelines, and a large majority of the delegates supported our view," he said.

The committee will now have to establish criteria and define the cases where moral responsibility of the parent company should apply, he said. "The consensus (at today's meeting) could turn out to be an important evolution in the interpretation of the guidelines and could set a precedent for other cases," he added.

Mr. Eyskens said nobody wanted to cancel the principle of responsibility of a limited liability company (société anonyme), as was Badger-Belgium. "But there are characteristic cases of misbehavior which go beyond the limited responsibility of companies, especially when all the decisions, including the closure of a company, is made by the parent firm," he said.

According to labor union estimates, severance-pay claims against Badger-Belgium amounts to about 200 million francs (approximately $5 million). The company's assets in Antwerp amount to about 100 million francs.

Negotiations with Badger are continuing.

U.S. sources, who declined to comment on the Badger case, pointed out that the OECD committee is not in a position to judge a specific case.

The Business and Industry Advisory Committee to the OECD noted that the OECD is not a court.

Inflation Slows To 3.9% a Year In W. Germany

WIESBADEN, West Germany, March 31 (AP)—Inflation slowed to 3.9 per-cent annual rate in March, according to a preliminary estimate issued today by the federal statistics office here.

This means that consumer prices increased only 0.3 per cent from February, when the year-to-year rate was 4.0 per cent, one of the lowest inflation rates in the industrial world.

Final results of the cost-of-living index will be announced early next month.

Payments Surplus Estimated

FRANKFURT, March 31 (Reuters).—West Germany is likely to record a current-account surplus this year of between 3 billion and 4 billion deutsche mark, half the 7.5-billion-DM surplus of 1976, said Helmut Schlesinger, a member of the Bundesbank directorate.

U.K. to Allow Substitutes For Tobacco

Cigarette Firms Plan To Test Market

LONDON, March 31 (AP-DJ).—The British government today approved the use of tobacco substitutes and cigarette makers immediately announced they would soon have such products on the market.

David Ennals, Secretary of Health and Social Services, said the approval was based on a report from a special committee which studied the substitutes: Cytrel, made by Celanese Corp., and New Smoking Material (NSM), made by NSM Ltd., a joint venture of Imperial Chemical Industries Ltd. and Imperial Tobacco Ltd.

The Independent Scientific Committee on Smoking and Health, known as the Hunter committee after its chairman Dr. R. B. Hunter of Birmingham University, said it had decided to raise no objection "to the carefully controlled use of two tobacco substitutes (Cytrel and NSM) in cigarettes for sale in this country."

However, before any cigarettes using the substitutes are marketed, the committee said it "will require the companies concerned to obtain the committee's agreement to their methods of conducting long-term human health studies and to set a firm date for the start of these studies."

Imperial Tobacco, Carreras-Rothman and Gallaher all said they hoped to have cigarettes containing non-tobacco substances on the market within a matter of months.

Both NSM and Cytrel are cellulose based. Cytrel, which Celanese has spent nearly 20 years developing, contains no nicotine, and is similar in color to tobacco. The company claims it delivers from one-seventh to one-third the total condensate of tobacco smoke.

Tobacco substitutes have been allowed in cigarettes in some countries, such as West Germany and Switzerland, for several years.

In a statement released here, Celanese said: "We are optimistic that this clearance (by the committee) will generate interest from tobacco companies in other parts of the world who are closely following this field."

Imperial Tobacco chairman Tony Garrett also emphasized the international implications of the committee's report. He said clearance of NSM "has opened the way to the development of an important new export market." He said the substitute would be made available "to any cigarette manufacturer anywhere in the world."

FINANCIAL NEWS AND NOTES

Commerzbank Net Below '76 Level

Commerzbank's operating profits in the first two months of this year are below those of a year-ago, although when the bank's trading on its own account is included they could be higher, says managing board chairman Robert Dhom. He attributes the lower results to the less favorable margin of interest earned over interest paid than prevailed in the year ago period. He says the bank's average interest margin in 1976 fell below 3 per cent to 2.72 per cent and is now probably even lower. Mr. Dhom notes that foreign branches contributed 30 per cent of the bank's earnings in 1976, while international activities altogether accounted for about a third of the bank's earnings. Total assets of the parent bank rose 9.2 per cent to 42.09 billion deutsche marks last year.

Case Stake in Poclain Approved

The French government has approved plans for J.I. Case, a wholly-owned subsidiary of Tenneco, to take a 40-per-cent stake in Poclain. The Poclain-Case group will be the world's second largest manufacturer of public works equipment. Poclain is to call a special shareholders meeting to seek approval for 40-per-cent increase in the share capital. The new shares will be sold to Case at 310 francs (about $62.37) each or a total 195 million francs. Poclain shares were last quoted at 115 francs before trading was suspended on Dec. 17, pending details of plans to restructure the company. Case will also take control of some of the French company's foreign subsidiaries, bringing the total cost to Case of about 300 million francs. It has not yet been decided which subsidiaries, in which countries or to what exact value will pass to Case's control. At the request of the government, the Peugeot and Renault car groups plus certain banks and institutional investors will take stakes in Poclain, subject to approval by their respective boards, that will amount to at least 34 per cent, giving them a minority-blocking stake. The remaining 26 per cent of the capital will continue to be held by the public.

Toshiba to Build TV Plant in U.S.

Tokyo Shibaura Electric Co. (Toshiba) has decided to build a U.S. plant to manufacture color television sets. The company says it looked into the possibility of buying existing TV plants offered by Admiral Corp. and other U.S. producers, but has decided to build a new plant to assure high productivity. No decision has been taken on the plant site or the size of operation.

Wall Street Unable to Hold Early Gains

NEW YORK, March 31 (IHT).—A government report of lower weekly retail sales and another rise in farm prices pushed prices on the New York Stock Exchange lower again today in continued light trading.

The Commerce Department reported that retail sales fell about 1 per cent in the latest week. The Agriculture Department said that farm prices for raw agricultural commodities last month rose 1 per cent.

However, after the market closed, the Federal Reserve Bank reported a decline in weekly money supply, and this was generally viewed as a constructive factor.

The narrowly-defined money supply, M-1, fell $1.1 billion to a seasonally-adjusted $315.3 billion. The broader based M-2 rose $500 million to $755.9 billion. For the four weeks ended March 23, M-1 increased 4.6 per cent while M-2 showed an 8.5 per cent increase.

Analysts said they do not expect any improvement on the upside until trading volume picks up. Volume slowed to 16.5 million shares compared with yesterday's 18.81 million.

Heading the list on the downside today was Kerr McGee, down 3 5 8 at 62 3 4.

Among the blue chips, General Motors fell 1 3 8 to 66 3 4 and Du Pont 1 1 2 to 125 3 8. Kodak was down 1 2 at 68.

Kaiser Aluminum lost 1 1 4 at 36. 1/4 Philip Morris fell 3 4 to 52 3 4 and Inland Steel 7 8 to 45 3 4.

The Dow Jones industrial average fell 2.08 to 919.13. At 3 p.m. it was up 2.08 points.

The industrial average struggled to a gain of almost three points at its high for the session, but failed to attract general market support. Analysts related the gain largely to selective buying in depressed issues.

Westinghouse, the volume leader, rose 3 8 at 18 1 8. It expects a better year in 1977, and says it will press for a settlement in its suit against uranium producers.

Burroughs added 1 4 at 61, after introducing a new scientific processor.

Prices on the American Stock Exchange closed lower in very light trading. The index closed at 111.17, down 0.07.

Kewanee Industries, the most actively traded stock, fell 1 4 to 40 3 8.

Shenandoah Oil, which said it started drilling a Guatemalan well, rose 3 8 to 24 7 8.

U.S. Suing 4 Sugar Firms

NEW YORK, March 31 (NYT).—A federal grand jury here indicted four sugar refining companies yesterday on charges of conspiring to fix the price of industrial sugar in violation of the Sherman Anti-Trust Act.

Named in the indictment were CPC International, Pepsico, Su-Crest Corp. and RSN Projects Inc. (formerly National Sugar Refining Co.).

The indictment charges that the conspiracy took place between August 1972 and September 1973. The results of the conspiracy, according to the indictment, were that the prices of refined industrial cane sugar were raised, fixed and stabilized at noncompetitive levels; purchasers of the sugar were deprived of free and open competition; and competition in the sale of refined industrial cane sugar among the defendants was substantially reduced and restrained.

In another development, a spokesman for the anti-trust division of the Justice Department reported that an investigation into monopolistic aspects of the Eastman Kodak's photographic film business has been started.

A company spokesman said that a "civil investigative demand," for documents relating to the investigation was received Tuesday.

Neither the Justice Department nor Kodak would disclose the contents of the demand, which requested broad categories of documents about the film business, in which Kodak is said to be dominant world-wide.

The anti-trust division spokesman said that the investigation was intended to determine whether any ground existed for filing an anti-trust suit.

Official Hints Higher Tax on Shoe Imports

U.S. May Also Seek 'Voluntary' Quotas

By Hobart Rowen

WASHINGTON, March 31 (WP).—The Carter administration may decide to give U.S. manufacturers of cheap shoes some protection against imports from South Korea and Taiwan, a key trade policy official hinted today.

But such a decision should not be taken as a signal of a return to a protectionist policy, said Robert Strauss, the administration's Special Trade Representative.

Mr. Strauss, in an interview, refused to say flatly what the administration would do on upcoming decisions that must be made on petitions for protection from imports of shoes, color TV, sugar, and other cases.

For the longer term, he stressed repeatedly that the administration must cling to a "free trade posture" that would lead to larger global trade volume and greater prosperity. At the same time, he warned, the United States must insist on equal treatment from its trading partners.

In a pointed reference to Japanese color TV sets, which he said have been "flooding" the United States, Mr. Strauss said: "If we are going to have the kind of trade we want with Japan, we have to look at the entire relationship."

We must negotiate trade agreements with Japan "that give our products the same opportunity they have here, and I'm not sure that our relationships have met that test," he said.

One approach that the administration appears to be considering in the matter of shoe imports is a modest increase in tariffs on the lower-priced shoes, coupled with an effort to persuade Taiwan and Korea to establish voluntary quotas.

These are "mean" problems, Mr. Strauss said, and predicted that whatever the administration did would come in for sharp criticism.

Rejection of the trade commission's recommendation of a four-fold rise in shoe tariffs in favor of a milder form of protection might set up a bitter confrontation with organized labor.

Net Rises at Bowater, Lucas, Cadbury

From Wire Dispatches

LONDON, March 31.—Bowater, Lucas Industries and Cadbury Schweppes reported increases in profits today.

Bowater said its after-tax earnings advanced 56 per cent to £34.3 million in 1976 from the £22 million reported a year earlier. Net profit, after minority interests and extraordinary items, was up 89 per cent at £19.5 million from the previous year's £10.3 million.

Sales of the forest products firms rose 39.6 per cent to £1.55 billion from £1.11 billion in 1975. The company declared a final dividend for the year of 5.5 pence per share, raising the year's total payout to 12.5 pence from the 10.9 pence paid in 1975.

Lucas Industries, reporting first-half figures, said net profit rose 62 per cent to £16.07 million from the £9.93 million earned in the year-ago period.

The manufacturer of vehicle and aircraft accessories said that, subject to any further major upsets in the auto industry or the general economic situation, it expects its improved performance to be maintained.

Sales in the half-year ended Jan. 31 were up 27.7 per cent at £418.23 million. The company declared an interim dividend of 2.122 pence per share, up from the 1.515 pence paid a year ago.

Cadbury Schweppes, the food products concern, said profits after tax last year rose 11.9 per cent to £20.7 million from the £18.5 million earned in 1975.

However, net profit after extraordinary items and minority interests was virtually unchanged at £15.4 million.

Sales rose 18 per cent to £787 million from £667 million.

The company noted that export sales were up nearly 32 per cent and said that profits from franchise operations showed "a healthy increase." It declared final dividends for the year of 2.72 pence, up from 2.48 pence a year ago.

Linde Profit, Sales Up

FRANKFURT, March 31 (AP-DJ).—Net profit of Linde's domestic group rose 11.6 per cent to 31.2 million deutsche marks in 1976, against 28 million DM, in 1975. Sales were up 12 per cent to 1.55 billion DM, Hans Meinhardt, a member of the management board, reported today.

Sales of the machine and equipment manufacturer in the first two months of the current year were 186.4 million DM, up 20.1 per cent from the 1976 period. Mr. Meinhardt said overall 1977 growth probably would not stay at this rate, but forecast that sales would exceed the 12-per-vent growth posted for 1976.

The order inflow in 1976 rose 20.6 per cent to 2.35 billion DM. In the first two months of this year, however, the order inflow increased only 4.4 per cent to 226.7 million DM. Mr. Meinhardt noted that 1976 orders reflected the 39.1-per-cent jump in plant construction orders, a growth which could not be repeated this year. He said the West German economy could not expect any strong pickup in investment spending this year.

World sales of the Linde group, including non-consolidated turnover, totaled 1.8 billion DM in 1976, compared with 1.64 billion DM the previous year.

U.K. Reduces Bank Rate; Sterling Strong

From Wire Dispatches

LONDON, March 31.—The Bank of England lowered its minimum lending rate today to 9.5 per cent from a one-point drop which matched yesterday's fall in short-term money market rates.

The downward pressure stemmed from favorable reaction to the new budget outlined Tuesday when Chancellor of the Exchequer Denis Healey proposed tax cuts in exchange for wage restraint.

It was another step in the long climb down from the record 15-per-cent high at which the central bank's lending rate was set during the sterling crisis of last October.

Positive reaction to the budget continued to put upward pressure on sterling itself. The bank had to buy foreign currencies during the day to keep the pound from climbing over $1.72—a six-month high.

The government believes that any higher sterling rate would make uncomfortable Britain's export position.

Because of this trend, an estimated $500 million was seen by financial sources to have flowed into the Bank of England this week.

The bank also announced today that it plans to offer £800 million of five-year Treasury notes at 97 bearing a semi-annual coupon of 9.25 per cent to yield 9.99 per cent to maturity.

The yield is slightly below prevailing rates for similar instruments, suggesting that part of the issue will remain with the government broker. The central bank said it hoped to operate the issue as a tap offering to control market conditions. By selling the issue in stages, the government broker can influence interest rates on any given day by varying the amount it sells and by adjusting the price.

There were some unusual features, to the issue. Payment is in installments of 15 per cent initially; 25 per cent on May 12 and the balance on July 4. While this feature makes the conditions more generous, it was assumed that the bank wanted to avoid withdrawing too much money from the banking system at a time when the money supply has contracted sharply.

Another feature is that purchases by non-residents will be discouraged because withholding tax will be applied.

Britain has recently encountered a problem of having too much foreign money moving into the government bond market at a time when the nation is committed to reducing the use of sterling as a reserve currency. The withholding tax exemption was also waived for the previous gilt-edged issue—the 12.5 per cent bonds of 1992.

By holding the exchange rate of sterling steady, the bank in effect has been encouraging foreigners to purchase government gilts to take advantage of the high rate of return relative to bond yields available elsewhere.

Meanwhile, deposit interest rates for Eurosterling continued their sharp decline, still reflecting expectations of lower domestic interest rates and the strength of the pound.

Eurosterling quotes were 1/2 to 5 8 point lower compared with day-earlier quotes.

Elf Bond to Set Record

FRANKFURT, March 31 (Reuters).—Elf Norges of Oslo, a unit of France's state-controlled oil company Elf-Aquitaine, is planning to issue a three-year Eurobond of 100 million deutsche marks carrying a coupon of 3 4 per cent, market sources said here today. The coupon would be the lowest and the maturity the shortest for any DM Eurobond ever marketed.

We are pleased to announce
the appointment of

H.C. BOWEN SMITH
First Vice-President
Forest Product and Paper Stocks

RAY C. HUGHES
First Vice-President
Metals, Gold and Coal Stocks

BLYTH EASTMAN DILLON S.A.

Trade Development Bank Holding S.A.

Consolidated Balance Sheet
as at 31st December
(before provision for proposed dividend)

	(US$ 000's) 1976	1975
ASSETS		
Cash in hand and balances with banks	990,436	908,297
Bank certificates of deposit, notes and bonds	763,800	556,500
Precious metals	* 65,223	* 87,785
Government and municipal securities (USA and Great Britain)	279,387	254,988
Current accounts, advances to customers and bills of exchange	1,049,100	740,567
Other assets	61,107	47,314
Goodwill arising on consolidation	–	3,185
Investments	6,570	9,526
Fixed assets	36,623	34,405
	3,252,246	2,642,363
LIABILITIES AND CAPITAL		
Deposits, balances due to customers and inner reserves	2,738,355	2,206,739
Other liabilities	196,485	181,301
CAPITAL AND LOAN FUNDS:		
Long term loans	62,604	12,787
Other loans	38,308	40,808
Minority interests	41,228	38,887
Shareholders' funds:		
Share capital	24,605	24,605
Reserves and profit and loss account	150,661	137,236
Total shareholders' funds	175,266	161,841
Total Capital and Loan funds employed	317,406	254,323
	3,252,246	2,642,363
Letters of credit and guarantees	158,112	84,756

* against which forward sales amount to $ 86,870,000 in 1975 and $ 65,397,000 in 1976

Net earnings
for 12 months to 31st December

Net earnings after tax, minority interests and transfer to inner reserves (US$ 000's)	23,133	21,565
▲ Earnings per share:	$ 1.41	$ 1.31
▲ Number of shares outstanding 16,403,300		

In view of the growth in earnings and the improved performance of the Group, the Board of Directors of Trade Development Bank Holding S.A. has recommended the distribution of a dividend of US$ 0.55 per share, free of taxes, payable on May 31st 1977, representing a 25% increase compared to the preceding year (US$ 0.44).

Principal Subsidiaries
Trade Development Bank, Geneva
Republic National Bank of New York, New York
Trade Development Bank (Luxembourg) S.A., Luxembourg
Trade Development Bank (France) S.A., Paris
Trade Development Bank Overseas Inc., Panama City

Offices and correspondents in all major financial centers.

NYSE Nationwide Trading (3 O'clock) March 31

(Continued from Page 6.)

1977 High	Low	Stocks and Div in $	P/E	Sls. 100s.	High	Low	3 p.m. Quot.	Ch'ge Prev. Close
24¾	22	IndalPL 1.96	9	91	23¾	23¼	23⅜+	⅛
22⅛	17⅞	InexcoO	23	184	20⅛	19⅞	20⅛+	⅛
76	65	IngerR 2.80	14	64	75	74⅝	74⅞—	¼
50¼	45	IngR pf 2.25		3	47¼	47¼	47¼—	¼
30⅜	25⅞	InIndCon 1	8	7	28⅛	28⅛	28⅛—	⅛
52¼	45⅝	InlndStl 2.60	9	204	46⅛	45⅜	45⅜—	1½
22⅝	14⅛	Inmont .60	8	64	20⅝	20⅜	20½—	
16⅞	13⅝	Insilco .68	8	31	16	15¾	15⅞—	⅛
19¼	18	Insil pfA1.25		2	18⅞	18⅞	18⅞+	⅛
28½	24¾	InspCop	656	1	26¼	26¼	26¼	
1⅞	1¼	InstInvTr		2	1⅜	1⅜	1⅜	
10½	8¼	Integon .36	6	63	9⅞	9¾	9¾—	⅛
9⅛	5⅞	IntercDiv	7	21	8½	8¼	8¼+	⅛
39¼	33¾	Interlak 2.20	5	6	35⅝	35	35 —	⅝
C39¼	33¼	Interlak 2.20	5	6	35⅛	35	35 —	⅝
286½	266	IBM 10	17	452	278½	276	277½+	⅞
22⅞	18½	IntFlavF .44	20	98	20½	20¼	20¼—	¼
34¼	29⅞	IntHarv 1.85	6	107	33½	33¼	33½	
44⅛	37⅞	IntMinC 2.40	6	157	40⅞	40⅝	40¾—	¼
48½	44½	IntMinr pf 4		2	46	46	46 +	1
19⅞	13⅝	IntMng .20	8	31	17¼	16⅞	16⅞+	
20⅛	17⅛	IntMulti .85	7	12	17	17	17 —	⅛
34⅞	31¼	IntT&T 1.76	8	283	32¼	32	32⅛+	⅛
59½	55½	IntTT pfJ 4		1	56½	56½	56½—	½
58¾	53½	IntTT pfK 4		38	55⅞	55½	55⅞+	⅜
65¼	62	IntTT pfO 5		5	62⅛	62	62 —	½
41⅜	38	IntTT pf2.25		2	38⅞	38⅞	38⅞	
63	59¼	IntTT pf 50		3	60½	60⅛	60⅛—	¾
33⅜	28⅞	Introce 1.65	7	11	30⅞	30¼	30⅝+	⅛
83⅛	78¼	Intrpcepf 5		5	786	78½	78½—	½
34⅞	28½	IntrpGp 1.60	7	78	33	32¾	33 +	¼
18	16⅝	IntrsPw 1.45	9	9	17⅛	17	17	
27⅞	25	InPw pf 2.28		z1200	25½	25	25	8 .5
6¾	5	IntrstUn .24	22	9	6⅛	6⅛	6⅛—	⅛
26⅞	19¼	IowaBf .50	4	9	24¾	24½	24⅞+	⅛
17¼	16	IowaEl 1.40	9	9	16¼	16	16¼+	¼
23⅞	20½	IowaIlG 1.84	9	21	22	21½	22 +	⅜
25⅞	24⅞	IowaPL 2.10	8	3	25⅞	25⅞	25⅞—	¼
23⅞	20½	IowaPS 1.80	10	8	21⅞	21⅞	21⅞	
6¾	4⅛	IpcoHsp .05e	8	26	5⅛	4⅞	4⅞—	
18	14⅛	ItekCp	21	32	14⅝	14⅛	14⅝+	¼
15⅝	12½	ItelCp .30		185	13⅞	13½	13⅝—	¼

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1977 High	Low	Stocks and Div in $	P/E	Sls. 100s.	High	Low	3 p.m. Quot.	Ch'ge Prev. Close
17⅛		JamesF .80	10	17	16½	16⅛	16¼	
17⅞	14⅞	Jnlzen .80	6	48	15⅝	15½	15½—	⅛
10⅛	8⅞	JapanF .59e		25	8½	8⅜	8⅜	
32⅝	27	JeffPilot .80	10	36	27⅝	27	27⅜	
103⅞	99	JerC pf 9.36		z100	101¼	101	101¼—	1½
93	87	JerC pf 8		z8070	93	90½	93 +	2½
91	87	JerC pf 7.68		z50	88½	88½	88½—	2½
127½	125½	JerC pf 13.50		z10	131½	131½	131½+	1½
26½	22⅞	JewelC 1.30	8	41	23¾	23½	23¾+	¼
4⅞	3⅝	Jewelcor	8	3	3⅞	3⅞	3⅞+	⅛
76⅛	65½	JohnsJn 1a	19	312	67¾	67½	67½—	¼
17	7⅛	JohnsEF .60	105	25	10½	10⅜	10½+	⅛
40⅛	26⅝	JohnCn 1.49	10	76	38⅛	37⅝	37⅝— +	⅜
15¾	13	JonLogn .60b	6	15	13¼	13⅛	13⅛	
53½	53½	JonLaupl 5		z50	55½	56	56 —	1
49	40½	JoyMfg 1.30	12	460	47⅝	46⅜	47 —	⅜

1977 High	Low	Stocks and Div in $	P/E	Sls. 100s.	High	Low	3 p.m. Quot.	Ch'ge Prev. Close
2¾	1⅝	JusticeM		1	1⅝	1⅝	1⅝	
40⅝	34	KLM Air	8	28	36¼	35½	36¼+	1⅞
39⅞	32½	KaisrAl 1.20	17	802	37⅝	35½	36½—	1
		KaisrAl wd		754	6	35⅝	35½	
73⅞	66½	Kai pf 4.75		1	72	72	72 +	½
32⅜	29	KaiCe pf2.50		1	31	31	31 —	½
10⅝	9½	KaneMll .28	5	8	9⅝	9¼	9⅝	
33	27⅝	Kaneb 1	11	24	36	36	35¾—	⅛
30⅝	28⅝	KCtyPl 2.46	8	15	29½	29⅞	29½+	⅛
28½	26¾	KCPL pf2.33		6	27	27	27 —	½
35	27½	KCSouln	8	6	33½	33½	33½	
24	19⅜	KanGEl 1.76	7	39	20⅞	20½	20⅞	
24⅛	20	KanNb 1.48	8	31	22¾	22½	22½—	⅜
28⅝	27¼	KaPL pf2.32		7	27¾	27½	27⅝—	¼
9⅛	7⅛	KatyInd	4	12	7½	7½	7⅜	
24	20¼	Katy pf 1.46		5	21	20¾	21 +	¼
8⅞	7⅜	KaufBr .05e	12	76	7⅞	7⅞	7⅞—	⅛
20⅜	15⅝	Kaweki	11	4	17¾	17¾	17¾—	¼
11¾	9⅝	Keene .30	7	9	9¾	9⅝	9⅝	
12	9⅛	Keller .20	8	15	10	11¼	11¼+	¼
27⅞	23⅛	Kellogg 1.10	14	64	23⅞	23¾	23¾	
15⅝	14	Kellwd .95	5	9	14	14	14 —	⅛
30⅞	25⅛	Kennct .60e	102	287	27¾	27⅜	27⅜+	⅛
24⅛	22	KyUtil 1.84	6	20	22¼	22	22¼+	⅛
16⅞	12⅛	KerrGls .40	5	23	12⅞	12⅞	12⅞	
74¼	56	KerrMc 1.25	12	1009	64½	62⅞	62⅞—	3⅜
30⅝	26½	KiddeW 1.20	6	22	27	26¾	26¾—	½
50½	46¾	Kidde pfC 4		4	49½	48	49½+	1
45¼	40¼	KimbCl 2.20	8	45	43⅝	42¾	42⅞—	⅝
13½	11⅝	KingDSt .60	8	98	12¾	12½	12¾+	⅛
30¼	13¾	Kirsch .90	15	6	15	15	15	
36⅝	32	KnigtRd .72	10	9	32⅞	32⅜	32½—	¼
19½	14⅛	Koehrin .50e	6	19	15¾	15⅜	15¾	
26⅝	21⅞	Koppers .90	9	372	24	23¾	23¾—	⅛
7⅛	6½	Koracrp	4	9	6⅞	6⅝	6⅞	
47¼	43⅝	Kraft 2.32	9	45	45⅛	44⅞	45 —	⅛
40⅞	31⅛	KresgeS .32	15	1105	33⅞	32⅝	32⅞+	⅛
14⅞	13⅞	Kroehlr .25e	13	4	14⅛	14⅛	14⅛+	⅛
27⅛	23⅛	Kroger 1.44	7	35	25⅜	25⅛	25⅛—	⅛
25⅛	23	Kubota .42r	22	40	23¼	23¼	23¼	
17½	12⅞	Kysor .80	9	1	16⅛	16⅛	16⅛	

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1977 High	Low	Stocks and Div in $	P/E	Sls. 100s.	High	Low	3 p.m. Quot.	Ch'ge Prev. Close
5⅛	4⅝	LFE Cp	20	4	4⅝	4⅝	4⅝	
12⅝	10⅝	LTV Cp	5	78	10¾	10⅝	10⅝	
23½	18⅝	LamSes 1.10	9	36	22⅝	22⅛	22⅜+	¼
14⅛	12	LaneBry .80	7	101	12¾	12	12¼—	⅛
11⅞	9½	LawtrCh .40	15	10	9⅝	9½	9⅝	
15⅝	13¼	LearSieg .50	7	329	14⅛	14⅛	14⅛+	⅛
40	37⅞	LearS pf2.25		5	37½	37½	37½—	⅛
31⅞	27	Leasw 1.20	8	1	27½	27½	27½	
28½	23⅞	LeedsN .60b	9	33	24	24	24 —	¼
33⅝	17	Leesona .75	6	18	21⅜	20⅞	21⅛+	⅝
17⅛	15⅞	LehPCt 1	10	10	17¾	17½	17⅝—	⅛
1⅛	1⅛	LehValy	10	24	1½	1½	1½	
15⅞	13¾	LVIn pf 1.50		2	15½	15½	15½—	⅛
13	10⅝	Lehmn 1.25e		83	10⅝	10⅝	10⅝	
7⅛	5⅝	Lennar	64	35	6⅛	6⅛	6⅛+	¼
24	21¼	Lenox 1	9	12	23⅜	22⅞	22⅞—	⅛
7½	6⅜	LesFay .40b	7	23	6⅝	6⅝	6⅝	
12½	11⅜	LevFdC		6	11½	11½	11½—	⅛
14⅜	13	LevFln .75a		8	14⅛	14⅛	14⅛+	⅛

1977 High	Low	Stocks and Div in $	P/E	Sls. 100s.	High	Low	3 p.m. Quot.	Ch'ge Prev. Close
30⅝	25¾	LeviStra .80	5	114	26⅝	26	26⅝+	½
6⅛	4⅝	LevitzF	19	313	5	4⅞	5 +	⅛
37⅞	31	LOF 1.80a	6	78	31⅞	31¼	31⅜—	¼
71¼	64	LOF pf 4.75		4	65¾	65	65¾+	1½
3½	2⅛	LibrtyLn		10	2⅝	2⅝	2⅝	
7⅛	4¾	LibrtyLn pf		1	7⅞	7⅞	7⅞+	¼
35½	32⅛	LiggtGp 2.50	7	107	32	31⅞	31⅞—	1
48¼	40	LillyEli 1.42	15	119	42⅝	42⅛	42½	
36½	31⅞	LincNat 1.60	8	31	32¼	32⅛	32⅛—	⅛
19⅞	18⅛	LincPl 1.72a		9	18⅞	18¾	18⅞—	⅛
3	2⅛	Lionel	6	27	2½	2⅛	2½	
15⅝	12⅞	Littonln .18t	13	630	15⅝	15⅛	15⅝+	½
21⅞	20¼	Litton pf 2		11	21	20½	21 +	¼
11	9¼	Lockhd	3	47	9	9⅜	9⅛—	⅛
19½	17	Loctite 16	13	31	17¼	17	17⅛	
37½	32	Loews 1.20	6	81	33¾	32⅞	33¼+	½
11⅝	8½	LomaFin .50	9	11	9⅝	9⅝	9⅝—	⅛
16½	14	LomM .71e	17	17	15½	15½	15½—	¼
23¼	19⅝	LonStar 1.10	9	77	21¼	21	21 —	¼
19	17⅝	LngIsLt 1.56	8	119	19¼	19	19¼+	⅛
131¼	5½	LIL pfN 13		z100	127	126½	126½—	1
28	26⅞	LIL pfP 2.43		2	27	27	27	
28	27	LIL pfO 2.47		5	27⅞	27⅞	27⅞	
33½	25½	LonDr .48	17	65	26⅞	26⅝	26⅞+	⅛
17⅛	13½	LoralCp .40	7	17	14½	14⅛	14½	
31⅝	26¾	LaLand 1.20	10	278	27⅞	26⅝	27⅛+	½
27½	24½	LouisGs 1.72	9	21	25	24¾	24⅞+	⅜
15	11⅝	Lowenst .60	5	3	12⅝	12⅝	12⅝	
37⅛	30⅝	Lubrzol 1.10	12	114	31¼	30¾	31⅛—	⅜
16½	15⅛	LuckyS .48b	13	70	15⅝	15⅛	15⅝+	⅛
8⅝	7⅛	Ludlow .40	9	12	8¼	8	8¼+	¼
34	25⅝	LukenSt 1.60	7	8	31½	31¼	31¼+	¼
14	11	Lykes .40	11	126	11⅞	11⅝	11¾	
35⅝	29¼	Lykes pf50		28	30¾	30	30¼	
9	6⅜	LynCSys .30	10	35	8⅝	8⅛	8⅜+	¼

M

1977 High	Low	Stocks and Div in $	P/E	Sls. 100s.	High	Low	3 p.m. Quot.	Ch'ge Prev. Close
13¼	8½	MBPX .40a	4	3	11	11	11	
42¼	36½	MCA 1b	7	33	37¾	37⅜	37⅜—	⅛
5⅛	4⅛	MEI	5	27	4¼	4⅛	4⅛—	⅛
21½	14¼	MGIC .20	13	146	14⅞	14½	14⅞+	⅜
9⅝	7⅝	McAF .60b	27	11	9½	9⅛	9⅜—	⅛
6⅛	4⅞	MacDon	5	19	6	5⅞	5⅞—	⅛
10⅞	8⅝	Macmill .50	6	53	8⅞	8⅝	8¾—	¼
37	31⅝	Macy 1.30	7	53	33	32¾	32¾—	⅝
55	51	Macypf 4.25		v10	54	54	54 +	1⅛
13⅛	11⅛	MadsFd .77e		37	12½	12⅜	12½+	⅛
11⅛	9¼	MagicCf .40	7	62	9½	9¼	9⅜+	⅛
37¾	33	Mallory 1	14	4	36⅛	35¾	36⅛+	⅛
25½	22⅝	MalonH .68	11	9	23½	23⅛	23½	
8⅞	7⅝	Manhln .20	4	26	8½	8½	8½	
41⅜	36¼	MfrHan 1.92	8	69	38⅛	37¾	37¾—	⅜
14¾	12¼	MaratM .12e	3	40	12⅝	12⅝	12⅝	
59	52⅛	MaratO 2.20	8	245	52½	52	52⅛	
20	16⅝	Maremt .60	6	35	16⅞	16¾	16⅞	
13⅛	10	MarMid .80	12	57	12⅛	12¼	12¼—	⅛
15⅝	13⅞	MarlonL .52	11	30	13⅝	13¼	13⅜+	⅛
54⅜	52⅛	Marley 1.20	7	30	54	53⅞	53⅞	
14	9⅝	Marriot .25t	11	354	9⅞	9⅝	9¾	
60¼	53½	MrshM 2.40	17	48	57½	57	57¼	
23	18	MARSHF 1.24	11	61	18½	18⅝	18⅝—	⅛
26⅜	23¼	MartMa 1.40	7	69	23⅞	23⅝	23⅝—	½
20⅜	14⅛	MaryK .40	12	24	15¼	15	15⅛+	⅛

1977 High	Low	Stocks and Div in $	P/E	Sls. 100s.	High	Low	3 p.m. Quot.	Ch'ge Prev. Close
28⅞	25¼	Mrldu .66b	8	44	25⅛	24⅞	24⅞—	¾
26⅜	20⅛	MascoCp .28	11	66	20⅛	19¾	19¾—	⅜
24½	19⅝	Masonit .60	12	17	19⅞	19⅝	19⅝	
14⅝	12½	MasM 1.11e	12	22	13	12¾	13 —	⅛
22⅝	17¾	MassyF 1a	4	95	19¾	19⅛	19⅞+	⅛
18¾	17	MasCp 1.6		10	17¼	17⅛	17⅛	
11⅞	11⅛	MasInc .96e		50	11⅜	11⅛	11⅛—	⅛
26⅜	22⅛	MatsuE .29e	10	5	22¾	22⅝	22¾	
6⅛	5	Mattel	5	4	5⅞	5⅝	5⅞+	⅛
26	24⅞	MayerO .80	10		24⅞	24⅝	24⅞+	⅛
35⅞	29½	Maytg 1.50a	12	44	29⅞	29¼	29⅝	
51⅝	43½	McDer 1.60	4	200	51⅛	50¼	51⅛+	⅝
53⅜	40¼	McDnld .10	15	800	41	40½	40⅞	
24¼	19⅝	McDonD .50	7	88	20¼	19¾	20	
23	18½	McDonh .90	6	4	16⅞	18⅞	18⅞	
33	28⅛	McGEd 1.60	9	16	30⅞	30⅝	30⅝	
17⅝	15⅜	McGrwH .80	11	64	17⅝	17⅜	17⅝+	⅛
18⅛	15½	McKee .90	6	10	17	16½	16½—	½
26¼	20⅜	McLean .46	7	17	20¾	20½	20¾	
18⅛	15⅝	McLout 1.20	8	131	6½	16⅛	16½	
12½	11¼	McNell .80	6	20	11½	11⅜	11⅜—	¼
23	18⅞	MeadCp .92	6	86	22⅝	22½	22⅝+	⅛
60½	49¼	Mea pfA2.80		33	60	60	60 —	⅛
60½	49⅞	Mea pfB2.80		93	60⅛	60	60 —	½
30⅝	27½	Medusa 1.60	6	3	28¾	28⅝	28¾+	⅛
27⅞	23	Melville .96	9	385	22⅞	22⅜	22⅝—	⅛
23¾	16½	Menasc .80	8	67	22⅞	22¼	22⅞+	⅜
46	38⅜	MercStr .80	8	45	39⅝	39¼	39⅜+	½
68½	55	Merck 1.50	17	302	56¼	55	57—	6
20¼	17¼	Meredith .80	4	5	17⅝	17½	17½—	⅛
25½	18⅛	MerrLyn .80	6	441	18⅝	18	18⅛	
39⅞	31⅝	MesaPet .10	16	210	32	31⅝	31⅞+	
40½	34¼	MesP pf 1.60		15	34⅞	34⅝	34⅞+	⅛

1977 High	Low	Stocks and Div in $	P/E	Sls. 100s.	High	Low	3 p.m. Quot.	Ch'ge Prev. Close
11⅝	8⅞	Mesabi 1.33e	9	155	11⅝	11¼	11⅝	
29⅝	22⅛	Mesta 1.50e	7	2	24⅞	24⅞	24⅞—	¼
20⅝	16	MGM 1r	7	17	18⅞	18½	18⅝—	⅛
31⅛	27½	Metrom 1.10	7	32	29¾	29	29⅝+	⅝
93⅝	86½	MtE pfH8.32		z100	90⅝	90⅛	90⅛+	¾
17⅛	13⅞	MchGs 1.20x	8	3	15⅝	15½	15⅝	
8	28½	MhWi pf2.67		3	28⅝	28⅛	28⅝+	⅛
26	25	MhWi pf2.12		7	25⅛	25⅛	25⅛	
25	20¼	Microwv .40	10	42	22⅝	22¼	22½+	⅝
18⅞	16⅝	MidCri 1.16	8	6	16½	16⅛	16⅛	
17⅛	15⅝	MidSUI 1.38	9	309	16⅛	16	16⅛+	⅛
31⅛	28⅞	MidlRo 1.60	7	123	29⅞	29⅛	29½—	¼
24½	22	MilesLb 1.28	8	8	25⅛	24½	25⅛+	⅜
14⅝	11⅝	MiltBrad .60	6	2	11⅞	11⅝	11⅝	
57	43⅝	MinMM 1.70	17	289	50½	50⅛	50⅛+	⅜
22⅛	20¾	MinnPL 1.76	8	15	21⅞	21¼	21½	
13⅛	11⅛	MirroAl .96	11	5	12⅜	12⅛	12⅜	
19⅝	16⅛	MissnEq .48	6	6	17⅛	17	17⅛	
48	39⅝	mpacC 1.80	6	86	43¾	43⅛	43⅛—	⅜
29	27⅛	MoPtCe 1.60	8	16	27¾	27⅝	27¾+	⅛
16⅝	15⅝	MPSv 1b	8	22	16¾	16⅝	16¾+	⅛
27⅜	25⅞	MoPS pf2.44		2	26⅝	26¼	26¼—	⅜
71	62	Mobil 3.80	7	258	67⅝	66⅞	67⅛+	⅛
3⅛	2⅝	MobileH		19	3	2⅞	3	
19¼	14⅝	Mohasco .90	8	27	16⅞	16⅝	16⅞+	⅛
7¾	5¼	mohkDta	18	44	5¾	5½	5⅝	
49⅝	36½	Molycp 1.20	9	130	45⅝	45	45⅝	
56¾	49½	Moly pt 2.50		3	54½	54½	54½—	½
27⅛	24½	Monrh 1.20a	5	6	26⅝	26¼	26⅝—	¼
15⅝	12⅝	Monogr .28	6	23	14⅛	13⅞	14 —	¼
12½	9¼	MonrEq .20	21	69	9⅞	9⅝	9⅝+	⅛
88⅞	73⅞	Mntan 2.80	7	162	75⅝	75⅛	75¼ —	⅛
40⅝	35⅜	MonDU 2.40	8	11	39¾	39½	39⅝	

1977 High	Low	Stocks and Div in $	P/E	Sls. 100s.	High	Low	3 p.m. Quot.	Ch'ge Prev. Close
28¾	24⅛	MonPw 1.80	10	106	24⅞	24⅝	24¾—	
23¾	22	MontSt 1.80a		33	22⅝	22½	22⅝+	
11¾	10	MONY .96e	12	17	10½	10¼	10½—	
47½	41⅛	MooreM 1	5	17	45⅛	45	45¼+	
56⅞	49⅛	Morgan 2	10	252	50¼	50⅛	50⅛—	
27	21¾	MorKnu 1.10	5	7	24⅞	23¾	24⅛+	
13⅛	9⅝	MorseSh .50	4	91	10¼	10⅛	10⅛—	
4⅞	3⅝	MtgTrAm		4	3⅝	3½	3⅝	
22¼	13⅛	MorNor .88	8	19	18⅞	18⅞	18⅞	
56⅞	43½	Motorola .84	15	67	46⅛	45⅞	46 +	
48¾	38⅛	MtFuel 2	11	28	41⅞	41	41⅞	
28	24⅝	MtStTel 1.88	8	60	24⅞	24⅛	24⅞+	
	3-32	MtStTel rt		323	3-16	5-32	5-32—	
9⅝	7⅝	Munford .40	6	7	82	8⅛	8¼+	
6⅜	5¾	Munfd pf .40			5⅝	5⅝	5¾	
18⅛	16⅛	Munsng 1.08	12	4	16⅛	16¼	16¼+	
20¼	17⅛	MurphC 1.20	7	10	19⅛	18⅞	18⅞—	
30⅞	22⅝	MurpOil .80	7	32	28	27¾	28	
23⅝	18⅞	MurryO 1.20	8	2	22⅞	22⅞	22⅞	
17	15⅞	MutlOm 1.32		13	15⅞	15⅜	15⅞	
12⅝	9	MyersL .40	14	44	11⅝	11⅛	11 +—	

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1977 High	Low	Stocks and Div in $	P/E	Sls. 100s.	High	Low	3 p.m. Quot.	Ch'ge Prev. Close
38⅞	33¼	NCR .0	10	415	36⅜	36¼	36¼—	
23¾	19⅝	NLInd 1.20	9	871	21	20½	21 +	
24½	20⅝	NLT .76	6	93	21	20⅞	21 —	
9⅝	7⅛	NVF 2.45t	7	40	7⅞	7¾	7¾—	
51⅛	45¼	Nabisco 2.52	10	54	48⅛	48	48 —	
34⅝	29⅝	NalcoCh .96	13	223	28	28	28½—	
14⅝	12	NarcoSci .60	8	2	12⅞	12⅞	12⅞	

(Continued on next page.)

New Issue
April 1, 1977

This advertisement appears as a matter of record only

REPUBLIC OF AUSTRIA

DM 150,000,000.–
6¾% Deutsche Mark-Bonds of 1977/1985

Offering price: 100%
Interest: 6¾% p. a., payable annually on April 1 of each year
Redemption: annually, beginning on April 1, 1983, through purchases in the market or drawings of series by lot at par
Listing: Frankfurt am Main

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Wood Gundy Limited
Yamaichi International (Europe) Ltd.

Toronto Stocks

Closing Prices March 31, 1977

Quotations in Canadian funds.
Quotations in cnts unless marked $

Sales	Stock	High	Low	Last	Ch'ge
14825	Abitibi	$10¾	10⅝	10¾—	⅛
500	Acklands	$11⅞	11⅞	11⅞	
2950	Agnico E	$6¾	6½	6⅝—	⅛
3500	Agra Ind A	$5¼	5⅛	5¼	
16744	Alta Gas A	$13¼	13⅛	13¼+	¼
100	Alta Nat	$31	31	31 —	¾
400	Argo Cent	$11¼	11¼	11¼	⅛
300	Alliance B	375	375	375	
9000	Alminex	$8½	8	8 —	⅛
200	Andes W	$8⅛	8⅛	8⅛—	⅛
4550	Atco A	$15¾	15½	15¾	
8300	Bell Canad	$49⅞	49⅝	49⅞	
4770	BP Can	$11	10⅞	11	
5751	Bank N S	$19⅞	19⅝	19⅞+	⅛
1450	Baton B	$10	10	10 +	⅛
300	Beth Cop A	$12⅞	12	12⅞	
3400	Block Bros	$5	5¼	5¼	
7400	Bovis Cor	65	63	63 —	2
3282	Bralor Res	365	355	360	
300	Bramalea	$6¼	6⅛	6½	
3270	Brenda M	$10	9⅞	10 +	⅛
8897	Bridger	$9	8¾	9	
900	BCFP	$25½	25⅛	25½	
1500	BC Phone	$12⅝	12½	12⅝—	⅛
4100	Brunswk	$5¾	5⅝	5¾+	⅛
3100	Budd Auto	$7	6⅞	6⅞+	⅛
6375	Cad Frv	$8⅞	8⅞	8⅞+	⅛
850	Cal Pow A	$32⅝	32⅜	32½	
420	Camflo	$12⅞	12½	12⅞+	⅛
1935	Campau A	425	420	5 +	5
6000	C Nor West	$6⅜	6¼	6½	
1800	C Pakrs C	$18¾	18	18¾+	⅛
70	Can Trust A	$23⅞	23⅞	23⅞	
11600	C Tung	$9⅜	9¼	9⅜—	⅛
70	C Cablesy	$13	13	13 —	⅛
2040	Cdn Cel	$8⅛	8	8⅛+	⅛
100	CGE	$22¼	22¼	22¼+	⅛
7510	CI Bk Com	$23⅝	23	23⅝	
2200	Cdn Tire A	$38⅞	38⅝	38⅞—	⅛
2350	C Utilities	$13¼	13	13 —	⅛
200	Canbra	330	320	330	
2865	Cassiar	$7	6⅞	7	
2670	Celanese	390	385	385 +	5
3300	Chieftan D	$11½	11⅛	11½+	⅛
900	C Holiday	405	405	405 —	5
200	Con Bldg	265	265	265	
6100	Con Distrb	300	273	295	+0
4367	Cons Gas	$14	13⅞	14	
16131	Con Fardy	360	340	355	+20
2200	Conwest	370	360	370	+25
11800	Craigmt	$6	5⅞	6	
500	Crush Intl	$8⅛	8⅛	8⅛	
877	Cyprus	$10⅝	10½	10½—	⅛
900	Denison	$52¼	52	52 —	⅛
1730	Dicknsn	475	460	460 —	5
1850	Dofasco A	$25½	25	25¼—	½
810	Dom Store	$14⅝	14½	14⅝	
2000	Dylex L A	$7½	7⅜	7½	
1440	East Mal	257	256	257 —	3
2400	Electro A	270	264	270 +	5
700	Emco	$5½	5⅜	5⅜—	⅛
2735	Falcon C	$6½	6⅛	6½—	⅛
982	Falcon	$39¼	39	39¼+	¼
4500	Fed Ind A	$5¼	2	5¼—	⅛
100	Fed Pion	$23½	23½	23½—	1
750	Francana	$5¾	5¾	5¾	
6575	Grt Masct	107	105	107 +	3
1025	Gibraltar	$7	6⅞	7 +	¼
50	Goodyea	$14⅞	14⅞	14⅞—	1
2700	Granduc	117	116	117 —	1
1150	Gt Oil Sds	$7⅞	⅛	7⅝	
805	GL Paper	$29½	29½	29½—	½
800	Gt W Life	$55⅛	55	55	
50	Greyhnd	$16¼	16⅛	16⅛—	⅛
3780	Guar Trst	$7⅞	7⅞	7⅞	
600	Hembro C	375	375	375	—15
400	H Group A	278	278	278	¼
2300	Hard Crp A	395	395	395	
1100	Hawker A	$5	465	475	+10
1015	Hayes D A	$5¼	5⅛	5⅝+	¼
21460	H Bay Co	$15¾	15⅝	15 —	⅛
1750	IAC	$15⅞	15¾	15¾	
4345	Indal	$16	16	16	
3375	Inter-city	$5¾	5⅝	5⅝	
163	Int Mogul	245	245	245 —	7
9420	Int Pipe A	$13	13½	13⅝+	⅛
375	Inv Grp A	$6⅞	6⅞	6⅞	
100	Ivaco A	$6½	6½	6½	
2625	Jannock	$8⅛	8¼	8¼	
5750	Kaiser Re	$15	14⅞	15 —	⅛
16300	Kaps Tran	67	60	65 +	3
15225	Kerr A A	$15⅝	14⅞	15⅛+	⅛
1825	Koffler A	485	480	480	—15
2220	Labatt a	$17⅞	17⅜	17⅜+	⅛
29524	Lacana	445	430	445	+15
2900	LOnt Cem	350	350	350	+10
600	LL Lac	130	130	130	—14
2330	Lob Co A	345	340	345	+30
4190	Lob Co B	345	340	345	+35
2525	Lob M	350	340	330	
3100	MICC	$8⅞	8⅝	8⅞+	⅛
600	Mclan H A	$8⅝	8	8⅝	
2960	MB Ltd	$24⅛	24	24⅛+	¼
348	M LF Mills	$33½	33⅛	33½+	⅜
25	Malgml A	$14¼	14	14¼+	⅛
800	Murphy	$8	8	8	
1895	Nabrs Dlg	$14	13⅞	14 —	⅛
6030	Neonex	207	200	200 —	5
4935	Noranda A	$33⅞	33	33⅛+	⅛
3649	Nrcen	$11⅝	11⅜	11⅝	
700	NTecm B w	$13½	13⅜	13⅜—	⅛
300	Nowsco W	20⅞	20½	20¾+	⅛
2680	OSF Ind	290	280	290	+10
500	Orchan A	255	251	255 —	5
800	Oshawa A	370	365	370	
2230	Pamour A	405	395	400	
1562	PanCan P	$26⅞	25⅞	26⅞+	⅛
200	Patino A-V	$19	19	19	
500	Pembina	425	425	425	
1050	Pop Shops	485	480	480 —	5
1400	Pine Point	$32¼	31½	32+	⅛
3700	Pitts C	$5¼	5⅛	5⅛	
888	Placer	$22⅜	22⅛	22⅜	
200	redpath A	$13	13	13 —	½
65314	Reed Oslr A	$8½	8⅛	8⅛—	⅛
6440	Revnu P.p	77	77	77 +	2
100	Scotts	$8⅝	8⅝	8⅝+	⅛
4082	Shell Can	$14⅝	14½	14⅝+	⅛
4700	Sherritt A	$6	5⅞	5⅞	
100	Siebens	$13⅝	13⅝	13⅝—	⅛
34700	Simpsons	$5¾	5⅝	5⅝—	⅛
1550	Simpson S	$8⅛	8⅛	8⅛+	⅛
945	Southm A	$21	20¾	21 +	1
1900	St Brodcst	$7⅞	7⅞	7⅞—	⅛
7791	Stelco A	$26½	25¾	26⅛+	⅛
900	Sleep R	195	185	190 —	1
50	Tara	$17⅞	17½	17½	
300	Teck Cor B	430	430	430	—10
4430	Tex Can	$29⅞	28⅞	28⅞	
1400	Thom N A	$12¾	12⅝	12⅝—	⅛
1855	Tor Dm Bk	$17⅝	17⅝	17⅝—	⅛
250	Torstar B	$24⅞	24⅝	24⅝—	⅛
1815	Traders A	$15⅞	14⅞	15⅛	
15650	Trns Mt A	$10⅛	10⅛	10	
7423	TrCan PL	$14⅛	14	14	
120	Un Carbid	$18⅞	18⅝	18	
2257	UGas	39⅛	7 6	9	
900	U Keno	$8⅛	8⅛	8	
	2116 U Siscoe	$7⅛	7⅛	7	
2500	Upp Can	125	123	125	
390	Van Der	255	255	255	
1350	Vestgron	$14⅛	14		
10950	Voyager P	$8¼	7⅛	8	
500	Weldwood	$13⅞	13⅛	13	
3300	Stburne	$9	8⅞	9	
750	West Mine	420	420	420	
300	Westnhse	$19⅞	19⅞	19	
1074	Weston	$12½	12	12	
700	Woodwd A	$17	16⅛	16	
3000	Yk Bear	375	360	350	
4800	Yukon C	199	194	199	

Total sales 2,030,391 shares.

Montreal Stocks

Quotations in Canadian funds.
Quotations in cents unless marked

Sales	Stock	High	Low	Last
325	Algoma	$ 17¼	17¼	17
5377	Bank Mont	$ 14⅝	14	14
375	CAE Ind	$ 8⅞	8⅞	8
936	Can Cement	$ 8⅛	8⅛	8
206	Cdn Indust	$ 18¾	18¼	18
140	Cdn Int Pw	$ 21¼	21⅛	21
21435	Canron	$ 20⅛	20½	20
400	Con Bath	$ 27¾	27¼	27
540	Dom Bridge	$ 19¾	18⅞	18
15	Dom Text	$ 7⅝	7⅝	7
43005	Fncl Col	175	175	175
118	az Metro	$ 6⅛	6⅛	6
160	Imasco	$ 27	27	27
5530	Molso A	$ 17½	17½	17
1000	Mont Trust	$ 11⅝	11⅝	11
3695	Power p	$ 8⅞	8⅞	8
3243	Price Co.	$ 10½	10½	10
100	Rolfan A	420	420	4
1958	Royal Bank	$ 24⅛	23⅞	24
2900	Roy Trusta	$ 17½	17¼	17
13860	Zellers	430	420	425

Total sales 353,166 shares.

Selected Over-the-Counter Stocks

Closing Prices March 31, 1977

NEW YORK (AP) — The following list is a selected National Securities Dealers Assn., over the counter Bank, Insurance & Industrial stocks.

Stock	Bid	Ask
AEL Ind	4⅛	4⅝
AFA PrS	5⅝	6¼
AID Inc	8½	10½
AVM Cp	2¼	2⅝
Addisn W	6⅝	7⅛
Adv Ros	3⅝	4
Alberts	7¾	8⅛
Allco Inc	10⅝	11⅛
Allera Ph	19¾	20½
Allyn Bac	8	8½
Am Exp	36⅜	36⅞
Am Finl	13	13⅜
Am Furn	2¼	2½
Am Greet.	9⅝	10
A Micro	9⅝	9⅞
Am Telev	25½	26½
Am Weld	10¾	11¾
Amtr Dv	1	1¼
Anadite	4⅝	5
Anheus B	21⅝	22⅛
AntaCp	5⅜	5¾
Ard May	1½	2 n
ArkWtG	29¼	30
AsCC Bot	18	18¾
AtlGas Lt	15¼	5⅝
Baird At	4⅛	4⅝
Bang Hy	15½	16
Bkam Rlt	9⅝	10⅛
Bassett F	17⅝	18½
Bayls Mk	9⅛	9¾
Beeline	6⅛	6½
Betz Lab	25¾	26
Bibb Co	8½	8¾
Bird Son	33½	35
Birtchr	1⅛	1½
Bick Hills	24⅛	24⅝
Bonza Int	3⅛	3⅝
Brinks	7¾	8¼
Brks Sca	23½	24
Brwning	6⅝	7¼
Buckb M	3¼	3¾
Buckeye	7⅛	9⅛
Burn Sim	3⅜	4⅛
CalWSv	31	32½
Campl Ch	2⅞	3¼
Canrad H	2⅝	3⅛
Cap Swst	4¼	4⅝
Capin Air	2⅞	2¾
Cap Tec	3	3⅝
Care Co	3¼	4¼
CenVl PS	14¾	15⅛
Chm Lea	13	14
Chesa Ut	11⅝	12½
Chi Brids	48	50
Chlim Co	5⅝	6½
ChrisS	122½	125½
Ci rcle F	5½	6¼
CitznUt A	36⅝	37¼
CitznUt B	33½	34½
Clark Mf	42	43½
Clow Cp	6⅞	7⅜
Colu Vent	⅜	1½
Com Cir	12	13½
Coml Sh	30	33
Comw Pa	31	32
Con Pap	29⅜	30¼
Craw Co	11½	12¼
Cross Co	2	24¾
Cullr Fed	1⅛	2
Data Dsn	4⅞	4¾
Data 100	7½	8
Davi Inc	26½	28
Decor In	2¼	2¾
DeKib Ag	31¼	32¼
Delhi Oil	7	7⅝
DeLux C	24½	25¼
Det CanT	13¾	14¼
Dewey El	1⅛	1⅝
Diam Cry	17	17¾
Dixn Cru	19½	20½
Docutel	4¾	5⅛
Dollar G	9⅛	9½
Dorch G	10¾	0½
Doyle DB	18⅞	19¼
Dunkin D	6½	6⅞
Duriron	18	19
Eberln n	4¾	5¼
Econ Lab	24⅞	25⅞
ElPas El	11¼	11⅝
Elder Be	6½	7½
Elec Nucl	4¼	5½
Elec Mod	3⅛	3⅝
Energy C	24¼	25
Entwistl	5	5⅜
Equty Oil	19⅛	20¼
Ethan Al	17	17¾
Fab Tek	1 7-16	1 11-16
FidUn Lf	20⅝	20⅞
Fingrht	6⅛	6½
FtBkSys	37	37¾
Fst Bost	21¾	22½
FtEmpSt	7⅞	8⅛
FtWnFn	3	3½
Ficknr	14⅝	15⅛
Fla WatU	¼	⅜
Forest O	16	18⅜
Frmigli	⅝	1⅛
Folomat	11½	12
Frkln Co	6⅝	7
Frnkln El	14⅜	15⅛
Frnd Ice	10½	11½
Gen RlEs	3¼	4¼
G elnsu	153	157
Gov EFin	14½	15¼
Graph Cn	14¾	15½
Green Mt	12⅝	12⅞
Grey Adv	18¼	19¼
Gulf nist	18	18½
Gyrodn	2⅜	3⅛
Harper R	10⅝	11⅛
Harif NC	13¼	13¾
Henred F	15½	16
Holobm	1⅛	1¾
Hoover	14⅜	2⅛
Horiz Res	½	1
Huds Pap	27	28
Hyattcp	6⅞	7¼
Hyatt Int	4⅛	4⅝
Ind Nuclr	3⅜	3¾
Infra Ind	1⅞	2⅜
Intel Co	46	47½
Interc En	9½	10½
Intrmk In	3⅜	3⅞
Intrmt G	18	18¾
InBk Wsh	5⅞	6⅛
IaSou Ut	25⅝	26⅛
JamWPr	5¾	6¼
Jamsby	15½	16¼
Jiffy Fds	½	1
Joslyn M	14⅝	15⅛
Kaisr Stl	32¾	33¼
KaisStl pf	19⅝	20⅛
Kalvar	1½	1⅞
Kaman A	21½	22¼
Kamps A	7	7½
Kale Gre	⅜	1¼
Kaysam	3⅝	4⅛
Kear Tr	10⅛	0⅜
Kelly Svc	26¼	27
Keuff Ess	12¼	10¾
Keye Fib	15⅝	15¾
Key CusF	4½	5
Keys Int	20	20¾
King Inf	3⅞	4¼
Knap Vog	15½	16⅛
Lance In	19¾	20½
Land Res	1⅝	1⅞
Lane Co	16	17
Lin Bcast	12	18¼
Log Etrn	4¾	5¼
Madisn G	15⅛	16⅛
Maj Rity	7⅛	8
Mallkrl	34	35
MgtAssis	6⅝	6⅞
Manor C	5⅝	6¼
Maui LP	13	13⅛
McCorm	16½	17½
McQuay	14⅝	15⅛
Measur	12⅝	13⅛
Medtrn	25	25⅝
Merid In	2⅞	3⅛
Midlsx W	20	21
Midld Ca	2½	2⅞
Midl Bks	21⅜	22⅜
Midw Gt	23⅞	24⅜
Millipr	18⅞	19⅜
Miner In	1	1½
MissVl G	15	16
Monf Col	4⅛	4⅝
Moore S	10⅛	1⅝
Moore P	10½	11½
Morg Res	½	1
Mostek	16⅞	17¼
Motch M	5⅛	6⅛
Mot Club	3⅞	4¾
Mueller	15	16
Nerag Co	12⅞	13¾
Nat G&O	14⅞	15⅞
Nat Lib	5⅞	5⅝
N SecRsh	5⅞	6¼
Natnw Rl	6	7
Nielsn A	20¾	21¼
NJNat G	14½	15¼
Nielsn B	20⅝	21⅛
NoCar Gs	1⅛	14⅛
NoEOl un	31¾	32½
NW NatG	9⅝	9¾
NW PuSv	19⅝	16⅞
Noxel Cp	14⅝	14⅞
Ogilvy M	31⅜	32½
Ohio Ferr	15⅝	16⅜
Ormont	9¾	10⅝
Otter TP	20⅜	20⅞
Over NA	2⅜	2⅞
PCA Int	14⅛	14⅝
Pabst Br	22¼	22¾
PacGa R	23¾	24½
Parks H	9¾	10¾
Pauley P	6½	7¼
Pearl Mf	13¼	14¼
Pa Enter	17⅞	18⅝
PnzlOG	12½	12¾
Pepsi BW	9⅛	19⅝
Petrolit	46½	47½
Petrsn H	13	14⅛
Pettibon	21¾	22¼
Piedmt A	5	5½
Pinkrtn	30⅝	31½
Pion HiB	22	22½
Pistilin	2¼	3¼
Possis Cp	1⅝	2⅛
Progrp	2½	2⅞
PubS NC	11⅛	11½
P Bennet	16½	17¼
PutD Cap	7	7¼
Qual Inns	2	2⅜
Ragen Pr	2⅜	3¼
Rahall C	14	15
Raychm	114	119
Raymnd	16⅛	4
Recog Eq	7⅞	8¼
Road Ex	33⅝	34½
Robin M	22⅛	23½
Roselon	3⅜	4⅛
Rouse	4⅝	5
Rus Stov	15	15½
Sadller	2⅛	2⅜
Scan Dat	1 5-16	1 9-16
Scripps H	33⅝	35⅛
Seis Delt	2⅝	3
Seneca F	3⅛	3⅜
SevenUp	28	28⅞
Shaw Cp	27	28
Snap Tls	26⅛	27½
Soilst Sc	7⅞	8¼
S CalWat	18	19½
SwGs Cp	16¾	16⅞
SwEl Sv	16	16
Standyn	29	29½
Sid Regis	19¼	20
Stan HPd	15	16
Sterlg Str	6¼	7
Strawb Cl	25½	27
Super El	5⅛	5⅞
TIME DC	5	5¾
Tampax	34⅛	35¼
Tech Pub	19	20
Tecum P	57⅛	59½
Tennant	25½	27½
Tiffny Co	10⅝	1⅛
ToscoCp	3⅞	4⅛
Transo O	12	12½
Trico Pd	36	37
Tritn OG	4⅞	5⅛
Tymshr	17½	18¼
Tyson F	14¼	15
Un McGll	9	10
US Surg	12¼	12¾
US TrkLn	14	14½
UVa Bks	18⅛	18⅝
UpPen P	20½	21
Valley Gs	11¼	1⅝
VanD Air	9⅝	10½
Vaoce S	4	4½
Velcro	8⅛	8½
Ventron	43	44
VaN Bnk	18½	19½
Wads Pu	8⅞	9⅛
Wsh NG	15⅛	15⅞
Webb Re	10½	11¼
Well Gar	4½	5⅛
Wstn Mtg	25	3
Westmd	52	52¾
Wdwrd L	26½	27
Wright W	3⅝	4
ZionUt B	25¼	26¼

European Markets

(Yesterday's closing prices in local currencies)

Amsterdam

Stock	Price
AKZO	31.70
Albert Heijn	87.60
Algembank	317
Amrobank	69.20
A'dam Rub	75.20
Fokker	26
Heineken	
H.V.A.	54.50
Holl-Am-H	97
Hoogovens	--
K.L.M.	
Nat Nederl	94.80
Pakhoed	77
Philips	
Robeco	179
Rolinco	132
Royal Dutch	135.40
Unilever	
Van Ommer	156
Ver Mach	76.70

Brussels

Stock	Price
Arbed	
Bruy-Lamb	1,760
Cock Ougree	974
Electrobel	5,520
GB-Inno-BM	1,700
Hoboken	3,650
Pétrofina	4,500
Ph Gevaert	[illegible]
Soc Générale	
Solvay	2,340
Un Minière	934

Frankfurt

Stock	Price
AEG	87.50
BASF	162
Bayer	141
Commerzbk	187.50
Cont Gummi	62.30
Daimler	333
Deemag	143.50
DeutBank	275.50
DresdeBk	219
Hoechst	142
Hoesch	46.60
Karlstd	344
Kaufhof	208
KHD	143.50
Lufthansa	98.50
Mannesmann	167.50
Metallgesell	210.50
Neckermann	43
RWE new	164.50
Schering	283.50
Siemens	247.70
Thyssen	117
Varta	252.50
Veba	126
Volkswagen	145.80

London

Stock	Price
Anglo-Am cp	2.20
Anglo-Am	23.00
Barclay Bk	[illegible]
Beecham Gr	4.38
BICC	1.08
Boots	1.54
Bowater	2.90
Brit-Am Tob	2.71
Brit Oxyg	0.73
Brit Pet	7.92
Burmah	[illegible]
CadburySc	[illegible]
Chartered	[illegible]
Courtaulds	[illegible]
DeBeer D	2.38
Decca Rec	
Distillers	
Dunlop	[illegible]
E Mus Ind	2.64
GEC	
FreeStGed	[illegible]
GKN	3.37
Glaxo Gr	4.93
Grid Fields	
Gt Un St	
Guinness	
Hudson Bay	
Imp Chem	
Imps	
Mark&Spen	
Metal Box	
Hawker-Sidd	
Nichols	
Plessey	
Rand Mines	
Rank Org	
Royal Dutch	
R.T.Z.	
Shell	
Thorn (A)	
Tube Invest	
Union Carb	
Vickers	
War L3½	
West Deep	
West Drief	
West Hold	
West Min	
Woolworth	
ZCI	

Milan

Bastogi
ERBA
ErcMarelli
Fiat
Finsider
Generali
IFI
Italgas
Italsider
LaRinas
Montedis
Olivetti
Pirelli
Snia Visco
*Ex-rights.

Paris

Air Liquide
Alimentaire
Aquitaine
BSN
Carrefour
Cim Lafarge
Cie Bancaire
CFP
CGE
CCF
Ferodo
Imétal
L'Oréal
Mach Bull
Michelin
Moët-Henn
Moulinex
Paribas
PUK
Penarroya
Perrier
Peugeot
Rh Poulenc
Sacilor
St Gobain
Suez
Télémécan
Thomson
Usinor

Zurich

Alusuisse
Buerlhe
B Boveri
Ciba Geigy
Cr Suisse
Fischer
HofRochN
Nestle
Sandoz
Sté B Suisse
Sulzer
U.B. Suisse

Drexel Burnham & Co.
INCORPORATED

is pleased to announce
a change in the firm name to

Drexel Burnham Lambert
INCORPORATED
MEMBER OF PRINCIPAL STOCK AND COMMODITY EXCHANGES

Offices in Principal Financial Centers
in the United States, Europe, Japan and Brazil

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NYSE Nationwide Trading (3 O'clock) March 31

(Continued from preceding page.)

1977 High	Low	Stocks and Div in $	P/E	Sls. 100s	High	Low	3 p.m. Quot.	Ch'ge Prev. Close
19	16¼	NashuaC .63	9	7	16⅞	16⅝	16⅝—	⅛
13⅝	10⅞	NatAirl .50	18	38	11	10¾	10⅞	
16⅞	14½	NAvia .77e		21	15	14⅞	14⅞	
14¾	12¼	NatCan .57	5	10	13½	13⅛	13¼	
22⅞	16⅞	NtChem .48	10	139	16¾	16¼	16¼—	½
11⅞	8⅞	NtCityL .45e	9	5	10⅛	10⅛	10⅛+	⅛
29	23⅞	NatDetr 1.52	6	30	26¾	26⅛	26¾+	¼
25⅞	23⅛	NatDist 1.60	7	194	25¼	24⅞	25 —	⅛
29⅞	25⅜	NatFG 2.16	6	7	26	25⅞	26	
17⅞	15⅞	NatGyp 1.05	10	82	16½	16⅛	16½+	¼
5⅛	4⅛	NatHom		16	4½	4⅜	4½	
7⅝	6⅛	NatInd .30	4	32	6⅞	6⅞	6⅞—	⅛
11	10⅝	NtInd pf .60		1	10¾	10¾	10¾	
14⅜	13⅜	NtInd pf 1.25		1	13⅞	13⅞	13⅞	
26⅞	17⅞	NMdCr .24	11	76	20⅞	20⅝	20⅝—	⅜
16⅞	12⅜	NMedE .40	6	34	14½	14⅛	14⅛+	⅛
25	20	NMinesv .50	13	28	23¾	23⅝	23½+	⅛
51¼	46⅞	NatPrsto 2	6	18	48¾	48⅜	48¾	
18⅞	15½	NtSemic	22	584	21⅞	20½	20⅞+	⅜
15⅞	13⅞	NScInd .82	8	43	14⅛	14	14⅛+	⅛
16⅛	16	NStand 1.04	7	21	16¾	16⅝	16⅞+	⅛
	46⅞	NStarch 1.08	13	115	47⅛	47⅛	47⅛—	½
45⅝	41¾	NatlStl 2.50	9	56	42	41¾	42	
4⅝	3⅞	Nat Tea		3	4	4	4 —	⅛
15⅞	33⅝	natoma 1.40	4	199	36⅞	35⅝	36¾+	1½
	13⅞	Neptune .50	10	19	15	15	15	
	21¼	NevPw 1.60	7	2	22¾	22⅝	22⅝+	⅛
	21	NevP pf 1.95		10	21½	21½	21½+	⅛
	21½	NEngE 1.86	9	52	22¾	22⅛	22⅛+	⅛
	15⅞	NEnGE 1.36	8	30	16½	16⅛	16⅛+	⅛
	106⅛	NEG pf 9.80		z500	104½	104½	104½—	½
	29⅞	NEnPof2.76		1	30	30	30	
	33	NEngT 2.60	9	19	33⅞	33	33⅞+	⅛
	27⅜	NYSEG 2.40	8	53	28⅞	28⅜	28⅝+	⅛
	15	Newhall .56	10	44	16¾	16⅝	16⅝+	½
	26⅛	Newmt 1.60	15	8	27⅞	27⅞	27⅞+	⅛
	14	NiaMP 1.24	9	147	15	14⅞	14⅞	
	38⅛	NiaMpf 3.60		z50	39¾	39⅛	39⅛+	⅛
	115½	NiaMpf 11.75		z150	117½	117½	117½+	1
	110	NiaMpf 10.60		z60	109½	108¾	109½—	
	9⅞	NiagShr .97e		21	11	10⅞	11 +	⅛
	27⅞	Nicor 2.32	8	22	28⅞	28⅛	28¼—	
	28	NorfWn 1.76	8	508	32⅞	32	32⅜+	⅜
	17⅛	Norlin 1.25	5	8	18⅛	18	18⅛+	⅛
50½	45⅛	Norris 2	6	29	48	47⅛	47⅛—	
	24	Norrisw 1		3	24⅛	24	24 —	⅛
	43	NoACoal .90	10	6	52⅛	51⅛	51⅝—	½
5	3⅞	NoAMtg		48	4	4	4	
	32¼	NoAPhl 1.50	7	56	32⅞	32⅜	32⅝—	⅛
	3½	NoCAir .12	6	16	3⅞	3⅜	3⅜—	⅛
	1	NoCeAir wt		9	1⅛	1	1	
	10⅞	NoestUr 1.02	8	156	11	10¾	11 +	⅛
	17½	NIndPS 1.44	7	139	17½	17⅜	17⅜—	⅛
	44⅛	NorNGs 2.08	7	244	46¾	45⅝	46⅛+	⅛
	99⅛	NoNG pf8.48		z40	100	100	100	
	27	NoStPw 1.94	9	175	27⅛	26⅞	26⅞—	¼
	49⅛	NSPw pf4.16		z490	51⅞	51⅞	51⅞—	¼
	27⅛	NorTel .64	11	9	30⅞	30⅛	30⅛—	¼
	4⅛	Northgate	83	9	5⅛	5	5	
	41⅛	Northrp 2	8	46	46⅞	46⅛	46⅝+	1
	22⅞	NwstAirl .50	9	787	23⅝	22½	22⅝—	⅝
	49⅞	NwtBnc 1.92	10	43	51¾	51	51¼—	⅝
	32⅛	NwtEnr 2	6	13	33⅛	33	33 +	¼
	32⅛	NwtEnr ct 2	6	4	32⅞	32⅞	32½	
	43⅛	Nwtind 2.25	7	276	52⅝	52	52¼+	⅛
	24⅛	Nwstind wt		10	29⅛	29	29⅛+	
	26⅛	NwtP pf 2.50		2	26¾	26½	26½—	⅛
	12⅛	NwMLfe 1e	17	21	13	12⅞	12⅞—	⅛
	27⅛	NwtStW 1.20	12	x1	27	27	27 —	⅛
	33⅛	Norlon 1.80	7	71	33½	32⅞	32¾—	½
	33⅛	Norlon wi		10	33¾	33	33 —	½
	17⅞	NorSim .60b	9	126	18⅞	18⅝	18⅝+	⅛
	39⅞	NortS pf 1.60		1	41⅜	41⅜	41⅜+	⅛
	22⅛	Nucor .36	7	65	26¾	25⅞	26⅝+	⅝
O								
	15⅛	OKC 1.20	6	17	17¾	17⅝	17⅝—	⅛
	9⅞	Oakind .50	13	51	18¼	18⅛	18⅛+	⅛
	16⅛	OakiteP 1	9	1	16¼	16¼	16¼+	⅛
	23¼	OccidPet 1	9	8	25⅞	25⅝	25⅝+	⅛
	11⅞	OccidPet wt		117	13⅜	13⅛	13⅜	
	38	OcciP pf2.16		1	42	42	42 —	⅛
	74⅜	OcciP pf3.60		11	8	82½	83 —	⅛
	73¼	OcciP pf 4		50	81⅛	81	81 —	⅛
	26¼	OcciP pf2.50		17	26⅞	26⅝	26⅞+	⅛
	23⅛	Ogden 1.20	6	39	27⅞	27⅜	27⅜	
	19	OhioEd 1.70	9	2195	19¾	18⅝	18⅞—	⅝
	44	OhEd pf 3.90		z100	44	44	44 —	1
	52	OhEd pf 4.40		z100	53	53	53 +	1
	51⅛	OhEd pf 4.56		z110	52	52	52 —	2
	113	OhEd pf10.76		z50	116	116	116 +	½
	82½	OPw pf 7.60		z300	87¼	87¼	87¼+	1¼
	128	OPw pfA 14		z170	129¾	128⅞	128¾	
	127	OPw pfF 14		z150	128¾	128⅛	128⅝—	½
	91½	OPw pfE 8.48		z30	93	93	93 +	1
	18	OklaGE				18¼	18⅜	
	10¼	OklGE pf .80		z220	10⅞	10½	10½—	
	34¼	OklaNG 2	7	13	37⅞	37½	37⅞	
	38⅛	Olinp 1.50	7	50	40⅞	40½	40½+	⅛
	34¼	Olinkrft 1.10	9	10	36⅞	36⅜	36⅝+	⅛
	12⅞	Omark .72	9	11	15¾	15⅝	15⅝+	⅛
	17	Oneida .84	8	1	18½	18½	18½	
	14¼	OranRk 1.36	8	24	15⅞	15⅞	15⅞	
	7⅛	Orange .20b	14	25	7⅞	7⅝	7⅝—	⅛
6	23⅛	OutMar 1.40	7	11	24	23⅝	23⅝—	⅝
	17¾	OutletCo .80	7	22	22	21⅞	22 +	⅛
	18⅞	OvernIT .90	6	5	19⅞	19⅝	19⅝+	⅛
	22	OverSh .30b	7	22	25⅞	24⅞	24⅞+	⅛
	58	OwenCn 1	13	173	64⅞	63⅞	64⅝+	⅝
	20	Oxfrdind .76	7	10	26⅞	26½	26⅞+	⅜
P-Q								
	8	PNB .40	10	18	8⅜	8⅝	8⅝	
	49⅞	PPG 2.20	7	130	55¼	54	54⅛—	1⅛
	7⅛	PSA		11	7⅞	7¾	7⅞	
	22¼	PacGE 2	8	350	23⅞	23⅝	23⅝	
	18⅝	PacLtg 1.68	8	57	19⅞	18⅞	19	
	25⅛	PacPet .86	8	24	26⅝	25⅞	26 +	⅛
	21⅞	PacPw 1.80	9	125	23¾	23⅛	23⅛	
	17⅛	PacTT 1.40	9	21	17⅞	17⅝	17⅝	
	7	PaineW .45e	3	48	7	6⅞	7 —	⅛
	13⅞	PaIW pf 1.30		18	13¾	13½	13¾	
	9⅞	PalmBc .50	5	15	11⅜	11½	11½	
	3⅞	Pamida .32	18	13	4¼	4¼	4¼	
	4	PanAm		47	4¼	4⅛	4⅛—	⅛
	42	PanEP 2.20	8	95	42½	41⅞	42—	1
	13⅞	Paprcft .80b	7	18	15⅛	14⅞	15 —	⅛
	16⅞	Pargas 1b	9	16	18⅛	17⅞	17⅞—	¼
	29⅞	ParkDr .10e	9	48	33⅞	33	33⅞+	⅛
	33⅛	PaHan 2.20	10	41	36½	36⅛	36⅛—	⅛
	14⅛	ParkPen .48	8	129	15⅝	15	15 —	½
	11	PatrkP 1.25t	28	267	14¾	13⅞	14¼+	⅛
	18⅛	Pylsnw .50	7	32	18⅛	18⅛	18⅛—	⅛
	21	Peabody .20	13	68	24¼	23⅞	24⅛+	¼
	4½	PenDix .24b		30	4⅝	4⅝	4⅝+	⅛
	38⅛	Penev 1.48	11	293	39⅝	39⅛	39⅝+	⅛
	20¼	PaPwLt 1.80	8	141	21⅞	21½	21½—	
	97⅛	PaPL pf 8.60		z20	99	99	99—	
	92	PaPL pf 8.40		z150	93⅞	93¼	93⅞—	⅛
	104⅛	PaPL pf 9.24		z40	105¼	105¼	105¼	
	128	PaPL pf 13		z220	129	128½	129 +	1
	31⅛	Pennwlt 1.80	9	17	33⅞	33⅛	33⅛—	⅛
	48	Pennwl pf2.50		1	49½	49½	49½—	
	27⅛	Pennzol 1.40	7	141	31	30⅞	31 +	⅛
	93	Pennz pfB 8		z1000	94⅞	94⅞	94⅞—	
	8⅛	PeopDrg .20	8	1	8⅞	8⅞	8⅞	
	44⅛	PeopGs 2.40	7	66	45⅞	45⅞	45⅞+	⅛
	68	PepsiCo 2.40	13	704	71⅞	71⅛	71½—	¼
	30⅜	Petinc 1.60	8	15	31⅞	31	31 +	⅛
	11⅛	PeterPl .80a	8	14	12¾	12	12¼+	⅛
	69	Petrie .20	15		75	75	75 —	¼
	25⅛	Petrolan .72	6	60	27⅛	27	27 —	⅛
	24¼	Petrlm 2.41e		6	24⅝	24	24⅝+	⅛
	26⅛	Pfizer .96	12	250	28⅜	28⅛	28⅛—	⅛
	33⅛	PhelpD 2.20	16	109	34	33⅜	33⅞+	⅛
	94	PhilE pf 8.75		z10	95½	95½	95½—	1
	101	PhilE pf 9.50		z10	103	101¾	102¼+	¼
	15⅛	PhilaSub .88	8	15	14⅞	16½	16⅞	
	53	PhilMor 1.30	12	56	53⅞	52⅞	53 —	⅛
	6¼	Philind .05e	9	67	6¼	6	6⅛—	⅛
	53⅛	PhillPet 2	10	334	55⅞	54⅞	55 —	⅛
	10¼	PhilVaH .60	8	7	10½	10½	10½—	⅛
	14⅛	PiedNG 1.44	6	9	16½	16⅛	16½	
	6⅛	Pier 1 .05e	8	25	7	7	7	
	32⅛	Pioner 1.44	8	9	33⅞	33⅛	33⅞+	¼
	14⅛	PionerEl	12	11	14⅞	14⅞	14⅛—	⅛
	18⅞	PittFra .80b	7	1	22⅛	22⅛	22⅛	
	31⅛	Pittstn 1a	8	282	33⅞	33⅛	33⅞+	⅛

1977 High	Low	Stocks and Div in $	P/E	Sls. 100s	High	Low	3 p.m. Quot.	Ch'ge Prev. Close
27½	19½	PizzaH .40	8	76	20	19⅞	20 —	⅛
4⅞	3⅛	PlanRsc	6	94	3⅛	3	3⅛—	⅛
9⅞	5⅛	Playboy .12	14	17	8⅞	8⅞	8⅞+	⅛
12	10¼	Plessey .77e	7	2	11⅜	11⅜	11⅜—	¼
19⅞	15⅞	Pneumo 1	5	33	16	16	16	
38⅞	32⅞	Polaroid .50	14	242	34⅛	33⅞	34⅛+	⅜
7¼	6	Pondrosa	9	73	6⅞	6½	6⅞+	⅛
19¾	17⅞	PopeTal .80	16	9	18⅛	18	18⅛—	⅛
25½	20½	Portec .80	9	18	21½	21⅛	21¼—	⅛
21⅛	19⅞	PotGE 1.70	9	65	20½	20	20 —	⅛
116½	110⅛	PorG pf11.50		z230	113¼	113¼	113½	
29⅞	28⅛	PorG pf 2.60		2	28⅞	28⅝	28⅝+	⅛
37½	2	Pottch .84	12	8	36½	36¼	36½	
16	14⅛	PotmEl 1.28	9	107	15⅛	15	15⅛	
53	50½	PotEl pf 4.50		z70	51½	51½	51½—	½
61¾	57	PotEl pf 5.46		z100	58¼	58	58	
13⅞	12	Premier .48	8	9	13	12¾	13	
17⅛	16⅞	Premr pf .90		3	17	17	17 —	⅛
93⅞	78⅞	ProctrG 2.60	15	256	80	78¾	79¼+	¼
12⅞	9½	ProdRsh .48	9	8	12⅛	12⅛	12⅛+	⅛
33⅛	29	Proler 1.40	8	4	30½	30½	30½—	⅛
19	17	PSvCol 1.46	9	126	17½	17⅛	17½	
26⅛	24⅞	PSCol pf2.10		2	25⅛	24⅞	25⅛+	⅛
31⅞	25	PSvcIn 1.92	9	86	27⅞	27¼	27⅞+	⅛
110⅜	108	PSInd pf9.44		z300	109½	108¾	109½—	½
21¼	19⅞	PSvNH 1.88	8	19	20½	20⅛	20⅛+	½
30½	28⅞	PSNH pf2.75		z300	28⅞	28⅞	28⅞	
24½	21⅞	PSvEG 1.80	8	102	22⅜	22⅛	22¼	
54	50	PSEG pf4.30		z120	50½	50	50 —	½
63⅞	60	PSEG pf5.28		z150	62	61½	62 +	2
25⅞	24⅞	PSEG pf2.17		14	25⅛	25⅛	25⅛—	⅛
94⅞	88	PSEG pf7.70		z10	90½	90½	90½+	1
90¼	83	PSEG pf7.40		z380	86	86	86	
110	105½	PSEG pf.62		z20	105½	105½	105½—	¼
6⅛	4⅞	Pubicker		27	5½	5⅛	5⅛—	⅛
35⅞	31	PugSPL 2.60	7	27	33⅞	33	33	
35⅞	31⅛	Pulmn 1.32	12	47	32⅞	32½	32½—	⅛
19½	16½	Purex 1.08	9	64	17¾	17½	17½	
3½	2⅞	PuritnFa	5	79	3	2⅞	3 +	⅛
28½	6⅞	Puroltr 1.12	8	33	20	20½	20½—	¼
26⅛	21⅞	QuakOat .92	7	186	21⅞	21⅝	21⅞+	⅛
QuaO		pf 9.56		z200	112	110½	110½— 1½	21¼ 19⅞
114	110	QuaOpf 9.5	6	z200	112	110½	110½—	1½
21¼	18⅞	QuakStO .78	13	75	18⅞	18	18⅛—	⅛
26	22	Quanex 1.20	8	62	25⅛	24⅞	25⅛+	⅛
7¼	6⅛	Questor .10r	10	3	6¾	6¾	6¾+	⅛
R								
72¼	69	RCA pf 4		2	72	72	72	
11⅛	9⅛	RTE .28	12	6	9⅞	9¾	9⅞+	⅛
17⅛	14⅛	RalsPur .40	12	372	15¼	15⅛	15¼	
4⅛	3⅛	Ramada .06e	18	173	3⅞	3½	3½	
22	13¼	Rancoln .14	8	20	19⅞	19½	19⅞—	⅛
7⅛	6	RapidAm	4	24	7⅛	6¾	6⅞—	¼
26¼	20	RapA pf 2.25		1	25⅛	25⅛	25⅛—	¼
33⅞	29⅞	Raybst 1.50b	6	2	30	30⅛	30⅛+	¼
21⅛	19	Raymnd .80	7	26	20½	19¾	20⅛+	⅛
60¼	54	Raythn 2	10	130	56⅞	55⅞	56¼+	⅞
20⅞	17⅛	ReadBat .80	4	26	17⅞	17⅞	17⅞—	⅛
3⅛	2⅞	Redman	50	154	3	2¾	3 +	⅛
22⅞	20⅛	ReevsB 1.44	6	3	21⅞	21¾	21¾	
19¼	16⅞	ReichCh .74	8	74	19⅞	19	19¼+	½
9⅛	8⅞	ReliabSt .68	6	6	9⅜	9⅛	9⅛—	⅛
34½	29¼	ReinEl 1.10	11	52	33	35	32⅞—	⅜
21¼	18⅛	RelinGp	6	42	19¾	19⅜	19¾	
39½	35	RelGp pf.55k		16	38⅞	38	38⅞+	⅜
28⅛	26⅛	Relin pf 2.68		28	27⅞	27½	27½—	⅛
8⅞	7⅛	RepubCp	8	5	8⅛	8¼	8⅛—	⅛
19⅞	15⅛	RepFinS 1	5	21	16⅞	16¾	16¾	
2	1½	RepMtg		10	1⅝	1⅝	1⅝	
34⅞	32	RepStl 1.60	8	581	33	32⅞	32⅞—	⅛
34⅞	38¼	RepTex 1.20	8	2	32¼	32¼	32¼—	¼
21	15⅛	ResrvOil .20	14	247	16¼	15⅞	16 —	⅛
26¾	19½	RevcoDS .24	15	23	21⅞	21⅜	21⅞+	
21⅞	9⅛	Revere	58	125	14¼	14	14	
44⅞	36⅞	Revlon .90	14	116	37⅞	37⅛	37⅞	
11⅛	10⅛	Rexham .40	7	50	10⅞	10¾	10⅞+	⅛
⅞	32	Rexnrd 1.44	7	20	36⅛	35⅞	36⅛—	⅛
70	63⅛	Reynin 3.28	9	174	64⅛	63⅞	64⅛+	⅜
43¼	36⅛	ReyMet 1.20	9	128	39⅞	38⅞	39⅛+	¼
94½	81	ReyM pf4.50		3	91½	91½	91½	
11⅞	8	ReynSe .40a	6	41	9¾	9½	9¾+	⅛
15½	12⅛	RichCo 1	6	9	13⅛	13⅛	13⅛	
24⅛	19⅞	Richmnd 1	10	783	24⅛	23⅛	23⅞—	⅛
21⅞	18⅞	RiegelT 1.30	5	24	18⅞	18⅛	18⅛—	¼
29	20⅞	RoGran .70	9	5	27⅛	27	27 —	⅛
16⅞	12½	RioGr pf .80		31	15⅛	15	15 —	⅛
17⅛	13⅞	RiteAid .24	10	28	14⅛	14⅛	14⅛	
24½	⅞	Robshw 1.10	9	87	22⅛	22⅛	22⅛+	¼
25¼	21⅞	Robrtsn 1.50	6	6	22⅞	22⅞	22⅞+	⅛
24⅛	17¼	Robins .32	10	97	11⅞	11⅞	11⅞+	⅛
20⅜	7¼	RochG 1.28b	8	12	18¼	18⅛	18⅛+	⅛
119	116½	RochG pf 11		z10	117½	117½	117½	
16½	14⅞	RochTl 1	8	17	15⅛	15¼	15⅛—	⅛
13	11⅞	Rockowr .76	5	11	12⅞	12⅞	12⅞	
34⅞	30⅞	Rckwel 2.20	9	64	33⅛	33	33 —	⅛
85⅞	75⅞	Rkint pf 4.75		4	81	81	81 —	
46⅞	41⅞	RohmH 1.28		8	44⅞	44⅞	44⅞—	⅛
6⅛	5⅛	Rohrlnd		11	6⅛	6⅛	6⅛	
24⅛	17	Rollins .36	10	35	17⅞	17¼	17⅞	
4⅛	3⅞	Ronson		3	3⅞	3⅛	3⅞—	
24⅜	21⅛	Roper 1.40	5	19	22	21⅞	21⅞—	¼
20⅞	18	RorerA .94	11	97	19⅛	18⅞	19⅛+	⅛
29⅞	21⅞	Rosario .40b	13	16	27⅛	26¾	27 —	⅛
17⅛	14⅛	Rowan .12	6	174	16	15¼	16	
19¼	15⅞	RoyCCol .80	7	47	15⅞	15⅞	15½—	⅛
59⅞	51⅞	RoyID 3.26e	5	1965	54⅞	54⅞	54⅞+	⅛
27⅞	21⅞	Rubbrm .48	12	7	22⅛	22⅛	22⅛	
11⅞	10⅛	RussTog .76	8	15	10⅞	10⅞	10⅞—	⅛
15	12⅞	RyderS .65r	7	57	13	12⅞	13	
S								
4	3⅛	SCA Svc	14	30	3⅞	3⅞	3⅞+	⅛
22⅞	17⅞	SCMCp .80	5	99	20½	19⅞	19⅞—	⅛
15⅞	13⅞	SOGCon .50	6	18	14⅞	14⅞	14⅞—	⅜
29	24	Sabine .50	12	13	25⅛	24⅞	25⅛+	⅛
6⅞	4⅞	Safgdin .09e	8	15	5⅞	5⅛	5⅞	
50⅞	45	Safeway 2.20	11	179	45⅞	44⅞	45⅛	
13⅞	11	SagaCp .36	7	13	11⅞	11⅞	11⅞+	⅛
3¼	36⅞	StJoMin 1.30	13	31	47	40⅞	40⅞	
14⅞	12⅞	StJoLtP 1.12	9	7	12⅞	12⅞	12⅞—	¼
44⅞	41	StLSaF 2.50	9	15	42	41⅞	41⅞—	⅛
13⅞	11⅞	StPaulS 1e		57	12⅞	12⅛	12⅞—	¼
38⅞	32⅞	StRegP 1.64	9	15	34⅞	34⅞	34⅞+	⅛
7⅞	6⅛	Salant .24b	5	8	7⅛	7⅛	7⅛	
17⅞	14⅞	Sambos .48	8	72	15⅞	14⅞	15⅛+	⅛
13⅞		SDieGE 1.20	6	63	14	13⅞	13⅞	
9⅞	7⅛	SJuanR .09t	6	15	7⅞	7⅞	7⅞—	⅛
12⅛	9⅛	Sanders		37	10⅞	10⅛	10⅛+	⅛
39⅞	36	SFeInd 2	8	107	36⅞	36⅞	36⅞	
10⅞	9⅞	SFeInd pf.50		6	10⅛	10⅛	10⅛	
53¼	48⅛	SaFeInt .30	10	371	47⅞	46⅞	47¼+	1⅛
4⅛	3⅛	SaulRE		120	3⅞	3⅞	3⅞—	⅛
3⅛	2⅛	SavASlp	28	2	3⅛	3⅛	3⅛—	⅛
7	6	SavOnDr .20	7	13	6⅞	6	6⅛+	⅛
11¼	9⅛	SavEIP .80	6	4	9⅞	9⅞	9⅞+	⅛
15⅛	14⅛	SavEA 1.34		1	14⅞	14⅞	14⅞+	⅛
14⅛	13	SavEl pf1.28		6	13⅞	13⅞	13⅞—	⅛
24⅞	18⅞	SavBM .30	9	24	21	20⅛	20⅞—	⅛
5¼	4	Saxon	8	23	4⅛	4⅛	4⅛	
7⅞	6⅞	Schaefer	21	12	6¼	6	6¼+	¼
44⅞	36	SchergPl 1	13	401	37⅞	36⅞	37⅛+	½
16⅛	14	SchlitzBr .48	9	115	14⅞	14½	14⅞	
65⅞	56	Schlumb .80	17	21	59⅞	58⅞	59⅞+	¼
14⅞	13	SCOAIn .80	5	8	14	13⅞	14 +	⅛
6⅞	5⅞	ScotLad .36	40	3	6⅞	6⅛	6⅛+	⅛
28	26⅞	ScottFet 1.20	8	12	26⅞	26⅞	26⅞	
25⅞	21¼	ScottFor .84	8	1	23⅛	23⅛	23⅛	
20¾	16⅞	ScottPap .76	9	151	17⅞	17⅛	17¼—	⅛
9½	8	Scotlys .20	10	55	8½	8⅛	8½	
23½	21	ScovlI 1.2	8	83	21⅞	20⅞	21	
8	6⅛	Scudder	13	19	7	6⅞	7	
9½	8⅞	Scudd pf.83a		11	9⅞	9⅛	9¼—	⅛
28⅞	24⅞	SeaCont .25	7	86	26½	26¼	26⅛—	¼
36⅞	34⅞	SeabCL 2	6	218	35½	35¼	35½+	¼
3⅞	3	SeabWA .22t		17	3	3	3	
24	21⅞	Seagram .80	8	41	22⅞	22⅛	22⅞—	⅛
9⅞	7⅞	Seagrv .16e	6	6	8½	8⅞	8½	
17¼	15¼	SealPw .80	6	7	15¼	15¼	15¼	
86½	60⅞	Sears 1.80a	14	379	60⅞	60⅞	60½	
10⅞	7⅞	Seafrain	12	153	9⅞	8⅞	9⅞+	½
38⅞	27⅞	Sedcoinc .30	7	11	35	33½	33⅞+	⅛
18⅞	16⅛	SeigLtz 1.20b	6	6	16⅞	16½	16⅞+	⅛
7⅛	4⅞	SvcCpInt .20	6	27	7	7	7	
19¼	15⅛	Servmt .90	6	4	15¼	15⅛	15⅛	
11½	8½	Shakspre .40	6	8	9⅞	9⅛	9⅛+	⅛
19	16⅛	Shapell .10	6	11	17⅞	17¼	17¼—	⅛
9¼	7⅛	ShearH .22e		11	7⅞	7¼	7—	⅛
80	67¾	ShellOil 3.20	7	56	69¼	69	69¼+	⅛
15⅞	12	ShellrGl .60a	4	42	12¼	11⅞	12¼+	⅛

1977 High	Low	Stocks and Div in $	P/E	Sls. 100s	High	Low	3 p.m. Quot.	Ch'ge Prev. Close
23⅛	20⅛	ShlGl pf1.35		9	20	19½	19⅞—	⅛
20½	17⅛	ShlGl pf1.40		2	18	18	18	
41⅛	34	SherwW 2.20	21	13	35	34⅞	34⅞+	⅛
14⅛	12⅞	SierrPa 1	8	40	12⅞	12⅛	12⅞+	⅛
28⅛	24	Signal 1.10	8	101	25⅞	24⅞	25⅛	
63	53⅞	Signal pf2.20		1	57⅛	57⅛	57⅛—	1⅛
40	37⅞	Sigmde 1.20	11	10	39	39	39	
7⅞	6¼	SimPrec .18	8	14	6⅞	6⅛	6⅛—	⅛
19⅞	16⅞	Simm 1.12	12	527	18⅛	16¾	18 +	1⅛
16⅞	11⅞	SimpPat .50	12	273	12	11¾	12 +	⅛
23⅞	19⅞	Singer .10e	7	140	21⅞	21⅛	21⅞—	
45	43⅛	Singr pf 3.50		1	44	44	44 +	½
23⅞	17⅞	Skaggs .50	8	29	18	17¾	18 —	⅛
13⅞	10½	Skil Cp	13	7	12⅞	12⅞	12⅞	⅛
19¼	14⅞	Skyline .32	16	34	14⅞	14⅞	14⅞+	¼
17⅞	14⅞	SmithAO .80	4	26	14⅞	14⅞	14⅞	
40	34⅞	Smithint .52	9	62	34	334	33⅞—	½
79⅞	72	Smithkln 2	15	46	73¼	73	73 —	⅛
20⅞	17⅞	SmithTr .60	5	1	17¾	17¾	17¾—	¼
19⅞	17	Smucker .90	7	3	19¾	19¾	19¾—	⅛
14	11⅞	SolaBas .60	9	17	13⅛	13⅛	13⅛+	⅛
3⅛	2⅞	Sonesta		7	99	3⅛	3⅛	3⅛— ⅛
10⅞	8⅛	SonyCp .06e	18	1192	10	9⅞	9⅞	
40⅞	37	SooLin 3e	6	14	40	39⅞	39⅞+	¼
19⅞	18⅛	SCarEG 1.56	9	85	18⅞	18⅞	18½	
32	28½	SCEG pf2.50		1	29	29	29 +	½
19⅛	17⅞	SoJerl 1.56	8	2	17¾	17¾	17¾—	¼
16	13	Soutdwn .60		10	15	14⅛	14⅛—	¼
12¼	10	SoestBk .40b	9	22	10	9⅞	10	
9⅞	7	SoestP 1.37t	8	1	8⅞	8⅞	8⅞	
24⅛	21⅞	SoCalE 2	7	426	23⅞	23⅞	23⅞+	⅛
17⅛	16	southCo 1.46	10	644	16⅛	16½	16⅛+	⅛
20⅞	19⅞	SolnGE	8	2	20	20	20	
58⅛	50½	SoNRes 1.85	7	127	53⅞	53	53 —	½
40⅞	36⅞	SoNETel 3	8	8	37	36⅞	36⅞	
37	32⅞	SouPac 2.24	8	93	33⅞	33⅛	33⅞	
67⅛	55	SouRy 2.32	10	35	57¼	½	57⅛—	½
6⅞	6⅛	SouRy pf .50		5	6⅞	6⅞	6⅞—	⅛
38⅞	30⅞	SoUnCo 1.84	12	14	30⅞	30½	30⅞+	⅛
27⅞	22	Soutind .50b	10	3	22½	22	22 —	⅛
47	36	SouRoyl .68	17	27	38	37⅞	38 +	⅛
25⅞	20⅞	SwfBksh 1	8	4	24⅞	24⅞	24⅞—	⅛
10¼	8	SwstFor .20	7	21	9¼	9⅛	9⅛	
22¼	20⅞	SwtFI pf1.50		3	21⅞	21⅞	21⅞—	¼
15½	13¼	SwPbSv 1.10	9	158	13⅞	13⅛	13⅞	
14⅛	12	SprtnFd .28	5	17	12⅛	12	12 —	⅛
13⅛	9⅞	Sparton .40	7	8	11⅞	11½	11⅞+	¼
17⅞	15⅛	SperryH 1	7	205	17	16⅞	16⅞+	⅛
43⅞	35	SperryR .92	8	729	35⅞	35½	35⅞+	⅛
14⅛	12⅞	SprigM .90	8	4	13⅛	13⅛	13⅛—	⅛
28⅞	24	SquarD 1.20	15	203	27⅞	26⅞	27 —	1¼
30⅞	2¼	Squibb .96	12	38	28⅞	28	28⅞—	⅛
22½	18½	Staley 1	6	36	20⅞	20	20 —	⅛
24⅞	23	StPoor 1.92a		19	23⅞	23⅞	23⅞	
37⅛	27½	StBrand 1.28	12	63	28½	28⅛	28⅛—	¼
42⅛	34⅞	SBPaint .40	17	160	34⅞	34⅛	34⅛+	⅛
43⅛	38⅞	StdOilCl 2.20	8	324	39⅞	38⅞	39⅛+	⅛
65⅞	73½	StOilOh 1.36	23	92	80⅞	80⅛	80⅞+	⅛
8⅛	7	StdPress .40	16	9	7⅛	7⅛	7⅛	
7⅞	6⅞	StdPrud .66	14	9	7⅛	6⅞	6⅞	
17½	16⅛	Standex .80	6	1	16¼	16⅛	16⅞+	⅛
33	28⅞	StanW 1.12	9	6	31⅞	31⅞	31⅞—	¼
19¾	17	Stanray .60	8	21	19⅞	19⅞	19⅞	
13	11⅞	StaMSe 1.05		23	11⅞	11⅞	11⅞	
49⅞	45⅛	StaufCh 1.44	9	9	47⅛	47	47⅛—	⅛
9⅞	7⅞	Sterchi .56	7	14	9⅛	8⅞	9⅛+	⅛
17	14⅞	SterDrug .70	11	183	15⅛	14⅞	15 —	⅛
6⅞	4⅞	SterlPre .03e	6	20	5	4⅞	4⅞	
11⅞	9⅞	Sterndnt .40		7	11⅛	11	11 —	⅛
19⅛	17	StevenJ 1.20		54	17⅞	17	17⅞+	⅛
37⅞	33¼	StewWa 1.96	8	3	33⅞	33⅞	33⅞	
23⅞	20⅛	StokVC 1.20	1	3	22⅞	22⅛	22⅞—	⅛
13⅛	11⅞	StokVC pf 1		z100	12	11⅞	11⅞—	⅛
61	54⅞	StoneW 2.50	7	11	55	54⅞	54⅞—	⅜
15⅞	12⅛	StonCon .60	6	10	13¼	13⅛	13¼	
16⅞	15⅞	StopShop 1	6	6	16¼	16	16 —	¼
12⅛	10⅞	StorTec .67t	6	42	10½	10¼	10⅛+	⅛
26⅞	23⅞	StorerB 1	6	103	26½	25¼	26⅛+	⅞
14⅛	12⅞	StridRite .92	7	5	14⅛	14⅛	14⅛	
45	39	SuWor 1.68	4	8	39	38⅞	39	
5¼	4½	SuavSho .20	4	179	4½	3½	3⅞—	⅛
24⅞	20½	SubPrG 1.08	8	49	22	22	22 —	⅛
10⅞	8⅛	SuCrest .50	4	23	9½	8⅞	9⅛—	⅛
25	19	SunChm .40	6	23	20¾	20⅛	20⅞+	⅛
8	40½	SunCo 2	6	70	42½	42⅛	42⅞+	⅛
51	41⅞	SunCo pf2.25		16	44⅞	43⅞	44⅞	
25	20⅞	Sunbm 1.08	8	334	21⅞	21⅞	21 —	¼
35⅞	33⅛	Sundstr 1.20	8	13	35⅞	3⅞	35⅞	
53	4	Sunds pf3.50		1	51⅛	51⅛	51⅛+	⅛
16⅛	11	SunsMg .14r	40	58	15⅛	4⅛	15⅞+	⅛
24⅞	21⅞	SuperVal .66	10	4	22⅛	22⅛	22⅛+	⅛
258	185	SuprOil 1.80	15	49	188½	187	188½—	1
8⅛	6⅛	SuprnkG .30	6	44	7⅛	7	7 —	⅛
22⅞	10⅞	Suprscp .25e	5	38	17⅞	17⅛	17⅛—	⅛
7⅛	6⅛	SutroMtg	33	2	6⅛	6⅛	6⅛	
19⅛	15⅞	Swank 1a	6	53	16	16⅛	16—	⅛
19⅞	16⅞	Sybron .84	8	20	17⅛	16⅞	17⅛+	⅛
14¼	10⅞	Sycor	7	17	10⅞	10⅛	10⅛—	⅛
6¼	5⅞	Systron		4	⅞	55	5⅞—	⅛
T								
22⅞	17⅞	Ticor 1.10	6	14	19⅛	19	19 —	⅛
10⅞	9⅛	TRE p	18	36	9½	9¼	9¼	
39	34⅞	TRWIn 1.40	9	97	34⅞	34⅛	34⅞—	⅛
33⅞	28⅞	TaftBrd .80	8	84	29¼	29	29⅛—	⅛
6	4⅞	Talcott	24	2	5⅞	5	5⅛	⅛
10+½	8⅛	Talley .60	5	27	9	8⅞	8⅞—	⅛
13⅞	12⅛	Talley pf 1		18	12⅛	12	12 —	⅛
20⅛	17⅞	TampEl 1.12	9	180	18	17⅞	18	
42⅞	36	Tandy	6	88	36½	36⅛	36⅛—	⅛
16	11⅛	Tandycft	6	169	12⅞	11⅞	12⅛+	⅛
10⅛	9⅞	Tappan .24	9	101	10¼	10	10⅛+	⅛
8¼	5¼	Technic|r	30	40	8	7⅞	7⅞—	⅛
28	10⅞	Technicn	10	14	10⅛	10⅛	10⅞	
68⅛	56⅞	Tektrnx .30	16	165	59⅛	59⅛	59⅛—	⅛
6⅞	6⅛	Telcor n .30	5	21	6½	6⅛	6⅛—	⅛
70	56⅞	Teledn 1.45t	5	103	58⅛	57⅛	58⅛+	⅛
9⅞	7	Telprml	2	8	173	7⅞	7⅛	7⅛+ ⅛
3⅞	2⅞	Telex	10	63	2⅞	2⅛	2⅛—	⅛
37⅛	32⅛	Tennco .88	7	354	32⅞	32⅛	32⅞—	⅛
19⅞	13⅞	Tesoro 1	10	268	18⅞	18⅞	18⅛	
31	35⅞	Tesor pf 2.16		44	26	25⅞	25⅞—	⅛
3⅛	34⅛	TexCom 1.50	10	3	34½	34⅛	34½	
47⅞	38⅞	TexEst 1.5	9	136	41	40⅞	41 +	
23⅞	26⅞	TXET pf2.40		44	27⅛	27	27⅛+	¼
31⅞	30	TxET pf 2.87		6	30½	30⅛	30⅛	
49	41⅞	TexGsT 2	7	23	42⅞	42⅞	42⅞+	⅛
16⅛	14⅞	TexInd 1b	15	15	15⅛	14⅞	15⅛+	⅛
102⅞	80⅞	TexInst 1.32	20	360	85⅞	84⅛	84⅞—	⅛
11⅞	8⅛	Texint		55	8⅞	8⅛	8⅞—	⅛
33	26⅛	TexOGs .20	10	77	26½	26	26¼+	¼
33⅞	28⅞	TxPcLd .35e	21	12	33⅞	33⅛	33⅛	
22	19⅞	Texhil 1.40	9	157	19⅞	19⅞	19⅞—	⅛
31⅞	28⅞	Texsgif 1.20	14	148	29⅛	29¼	29⅞—	⅛
65⅞	61⅞	Texglf pf 3		8	51⅞	1⅞	51⅞	
27¼	25	Textron 1.40	8	28	26⅞	25⅞	26⅛	
34⅞	32	Textr pf 2.08		4	31⅛	31⅛	31⅞—	⅛
25½	22⅞	Textr pf 1.40		110	24⅞	24⅞	24⅞	
23⅞	19⅞	Thiokol .4	6	22	20	19⅞	19⅞	
12⅞	10⅞	Thomin .44	8	68	10½	10⅛	10⅛—	⅛
16⅞	15⅞	ThomJW .80	8	2	16⅞	16⅞	16⅞—	⅛
16⅞	15⅞	ThomJW .80	8	2	15⅞	15⅞	15⅞—	⅛
8⅞	8⅞	Thrifty .48	11	27	9⅛	9	9	
20⅞	18⅞	TidwtMr .60	7	53	19⅞	19¾	19⅞	
10⅞	10⅛	Tigerint .50	7	43	10⅞	10⅛	10⅛	
38⅞	33⅞	TimeInc 1.15	10	70	33⅞	33	33—	½
3	28	TimeMir .80	10	86	21	20⅞	20⅞—	⅛
54⅞	50	Timkn 2.20	9	4	51⅞	51⅞	51⅞—	⅛
17⅞	16	Tishman	24	120	17⅛	17	17⅛+	⅛
7	5⅞	TobInP .16e		7	6⅞	6⅞	6⅞—	⅛
26	24⅞	TolEdis 2.12	9	25	26	25⅞	25⅞—	⅛
25¾	24⅞	TolEd pf2.2		2	25⅞	25	25 —	¼
12⅞	9⅞	TonkaCp .48	6	2	10¼	10⅛	10⅛	
7⅞	6⅛	TootRol .40b	10	1	6⅞	6⅞	6⅞+	⅛
18⅞	11⅞	Tracor .20	6	32	11⅞	11⅞	11⅞—	⅛
37⅞	31⅞	Trane 1.0	9	25	33⅞	33⅞	33⅞—	⅛
39⅛	34⅛	TranUn 1.76		18	7⅞	37¼	37⅛—	⅛
12⅞	9½	TWA	4	81	9¾	9⅞	9⅞	
15⅞	18⅞	Transam .66	8	x380	13⅞	18⅞	18⅞+	⅛
24¼	22½	Traninc 1.82		13	23½	23⅞	23½	
19⅞	17	Transco 1	8	171	18⅞	17⅞	17⅞—	⅛
10⅞	9⅞	Transcn .52	6	2	10	10	10 —	⅛
107	101	TrGP pf10.32		z240	103½	103½	103½	
99⅞	96¼	TrGP pf 8.64		z20	97	97	97 —	¼
	28¼	TrGP pf 2.50		3	25⅞	26⅞	26⅞—	¼
11⅞	9¾	TranOhF .38	4	60	11	11	11	
23⅞	21	Tranwy 1.40	7	29	21⅞	20	21⅞	⅛
7	30	Travlrs 1.08	9	99	31⅞	31⅞	31⅞—	⅛
45	37⅛	Travelr pf 2		5	38¼	38	38⅛	
22⅞	20⅞	TriCon 2.37		62	21⅞	21⅞	21⅞+	⅛
32¼	31⅞	TriCn pf 2.50		1	33¼	33¼	33¼+	⅛
1¼	⅞	TriSoM		10	1⅛	1⅛	1⅛	
10½	9	Trianind			9⅞	9⅞	9⅞	

1977 High	Low	Stocks and Div in $	P/E	Sls. 100s	High	Low	Clsg. Quot.	Ch'ge prev. Close
18⅛	14⅛	TriaPac .52e	4	11	16⅞	16⅝	16⅞+	⅛
26⅞	17⅞	Trintyln .80	6	20	23¼	22⅞	23¼+	¼
15⅞	14	TucsnG 1.08	8	322	15¼	14⅞	15⅛—	⅛
12¼	9⅞	TwenCen .50	7	26	10⅞	10¼	10⅞	
24½	17⅞	TycoLab .40	12	64	20	19⅞	20 +	⅛
24⅞	20⅞	TylerCp .60	7	53	23	22⅞	23 —	¼
U								
27½	20	UALInc .60	25	367	20⅞	20¼	20¼—	½
20⅛	18⅛	UGICp 1.40	7	15	18⅞	17⅞	17⅞—	⅛
31⅛	28⅞	UGI pf 2.5		z950	30	30	30 +	¼
16½	13¼	UMCInd 1	8	5	14	13⅞	14	
2⅞	1¼	UMET Tr		8	1½	1⅛	1½	
17¼	14	UOP .35e	10	72	14¾	14⅞	14½—	⅛
39	31¼	UVInd 2	5	83	35⅞	34⅞	34⅞—	⅛
22¾	20	UARCO .76	7⅞	1¼	14	21¼	20¼	20⅛
51⅛	47¼	UniNV 2.33e	6	2	50¾	50⅛	50⅛—	¼
13⅞	11⅞	UnBancp .84	10	46	11⅞	11⅞	11⅞	1
66⅛	57⅞	UCamp 1.80	12	152	62⅛	62	62 —	⅛
62⅞	56⅞	UnCarb 2.80	8	384	57⅞	57⅛	57⅞+	⅛
8¾	7¼	UnCmrce	19	20	8⅛	8⅛	8⅛	
7¼	6	UnionCp	12	39	6⅛	6	6⅛+	⅛
16½	15	UnElec 1.36	8	167	15¼	15⅛	15¼—	⅛
53	50	UnEl pf 4.50		80	51	51	51 —	½
31	29⅛	UnEl pf 2.72		20	29½	29⅛	29½+	⅛
87	83⅞	UnEl pf 7.44		1	87	87	87 +	⅛
5⅛	4⅞	UnFidel	6	4	4⅞	4⅞	4⅞+	⅛
59¼	53⅞	UnOCal 2.20	7	149	55¾	55⅞	55⅞+	⅛
76⅞	70¼	UOCa pf2.50		5	71⅞	71⅞	71⅞—	⅛
55	48	UPacCp 1.70	13	727	52¼	51⅞	52 +	¼
10½	9¼	Uniroyal .50	15	268	9⅞	9⅛	9⅞	
10⅞	8⅛	UnBrand	3	28	8⅞	8⅛	8⅛—	⅛
14⅞	12½	nBrnd pfA		4	12¾	12¾	12¾+	⅛
11⅞	10	UnitCp .80e		58	10½	10¼	10¼—	⅛
30½	25⅛	UnEnRs 1.72	6	95	25⅞	25½	25⅞+	⅛
13⅞	11	UFInCal .40	6	17	12⅞	12⅞	12⅞	
14⅞	11⅛	UnGrnty	6	23	11⅞	11½	11⅞—	⅛
27⅞	25⅞	Ullium 2.44	9	6	26⅞	26½	26⅞+	⅛
25¼	23¼	Unillu pf2.20		z230		24	24	
24½	19½	Unitind .70	8	24	23⅞	23⅞	23⅞	
5⅞	4⅞	Unitinn .14	7	14	5⅞	5⅞	5⅞+	⅛
13⅞	12⅞	UJerBk 1.04	8	x16	12⅞	12⅞	12⅞+	⅛
13⅞	10½	UnitMM		18	10½	10⅞	10⅞—	⅛
4⅞	2⅞	UnPkMn		32	2⅞	2⅞	2⅞—	⅛
18⅞	15⅞	USFoS 1.26e		4	16⅞	16⅞	16⅞—	⅛
54⅞	47⅞	USFidG 2.76	10	53	50	49⅞	49⅞—	⅛
26⅞	23⅞	USGyps 1.60	12	66	24⅞	24⅞	24⅞+	⅛
28⅞	26	USGy pf1.80		2	26⅛	26⅛	26⅛	
8⅞	6⅞	USHom .16	10	149	7⅞	7⅞	7⅞+	¼
8⅞	6⅞	USInd 0	9	215	6⅞	6⅞	6⅞	
12⅞	9⅞	USLeasg .32	5	11	10⅞	10⅞	10⅞—	⅛
4	2⅞	USRty		3	3⅛	3⅛	3⅛	
27	22⅞	USShoe 1.20	7	40	23⅞	23⅞	23⅞—	⅛
50	43⅞	USSteel 2.20	9	277	45⅞	45⅞	45⅞	
29⅞	24⅞	USTobc 1.40	12	11	27⅞	27⅞	27⅞+	⅛
39	34	UnTech 1.20	7	613	34⅞	34⅛	34⅞+	⅛
174	155½	UnTch pf 8		55	158½	158½	158½+	⅛
19⅞	17⅞	UnITel 1.20	9	126	18⅞	18⅞	18⅞+	⅛
24½	14¼	UnITI 2pf.50		3	23⅞	23⅞	23⅞+	⅛
7⅞	6⅞	Unitrod .10	9	20	7⅞	7⅞	7⅞+	⅛
11	9	Univar .56	6	44	10⅛	10	10—	⅛
22⅞	19⅞	UnivFds 1	8	3	20⅞	20⅞	20⅞	
33⅞	29⅞	UnLeaf 1.88	8	18	32⅞	32½	32⅞—	⅛
38⅞	34	Upjohn 1.08	13	6	35⅞	35	35⅞+	⅛
18⅛	14⅞	USLIFE .40	6	134	15	14⅞	14⅞—	⅛
12½	11⅛	UslifeF .96		20	12	11⅞	12 +	⅛
45⅞	39⅞	UtahPL 3.12	8	134	43½	40	40⅞	
34⅞	31⅞	UtPL pf 2.80		6	31⅞	31⅞	31⅞+	⅛

1977 High	Low	Stocks and Div in $	P/E	Sls. 100s	High	Low	Clsg. Quot.	Ch'ge prev. Close
V								
22⅛	18⅛	VFCp 1.10	9	4	19¾	19¾	19¾	
21⅞	17½	VSICorp .80	7	2	21¾	21⅞	21⅞+	⅛
8⅞	7	Valleyln .40	13	45	8⅞	8¼	8⅞+	⅛
19⅞	14¼	Varlan .28	12	179	16¾	16⅛	16⅞+	¼
8⅞	7¼	Varoinc .20	4	54	8⅞	8	8⅞+	⅛
4⅞	3⅞	Venice .20	13	1	3⅞	3⅞	3⅞+	⅛
14⅞	14¼	VestSe 1.3e		x21	14¼	14⅛	14⅛—	⅛
2	15⅞	Vetco .20e	7	130	16⅛	16	16⅛+	⅛
16⅞	9½	Viacom	13	113	13	12⅞	12⅞+	⅛
11¼	7	VictorC .20	12	37	11	11	11	
15⅞	14	VaEPw 1.24	8	197	14½	14¼	14½	
108⅞	103	VaEP pf9.75		z50	103⅞	103⅞	103⅞—	⅛
31⅞	30¼	VaEP pf2.90		26	30¾	30½	30¾+	⅛
85½	81⅞	VaEP pf7.45		z510	83	82½	82½	
6⅞	5⅞	Vornado	9	4	5⅞	5⅞	5⅞	
W								
17⅞	15⅞	Walgrn 1.10	7	37	15⅞	14⅞	15 —	¼
21⅞	18¼	WallBus .66	8	3	18½	18½	18½—	¼
26⅞	20½	WallMu 1.20	4	3	25	24⅞	24⅞	
39⅞	33⅞	WaltJim 1.20	8	33	34½	34⅛	34⅞	
12½	11⅛	WaltJ pf 1		z200	11¾	11½	11½—	¼
42⅞	36⅛	WaltJ pf1.60		1	772	37⅛	37¼—	⅛
6⅞	5	WardFd .47t		11	6⅞	6	6⅛+	⅛
9¼	6½	Warnaco		55	9	8⅞	8⅞	
31⅞	28½	WarnS 1.20	11	5	30½	30½	30½	
29⅞	26¼	WrnCom .80	7	14	27¾	27¼	27¾+	¼
10⅞	9⅞	WrnerCo .60	10	13	9⅞	9½	9⅞+	⅛
31⅞	26⅛	WarnerL 1	13	53	26½	25⅞	26⅛—	⅛
23½	21	WashGs 1.88	8	51	23⅛	22⅞	23⅛+	⅛
35	33⅞	WasN pf2.50		3	34	34	34 +	¼
22¼	18½	WashSrl 1	7	22	21⅞	21⅞	21⅞+	¼
23⅞	20½	WasWat 1.76	7	23	22½	22	22⅞+	⅛
15	12	WasteM .20	12	44	14⅞	14⅛	14⅛+	⅛
24½	16¼	WatkinJ .32	15	45	23	22⅞	23	
7⅛	6¼	WayGos .48	10	2	6⅞	6⅛	6⅞	
6⅞	4⅞	WeanUN .75eE	6	5⅛	9	5¼	6⅛	6⅛
10⅞	8⅞	Weathrd .50	6	5	9½	9¼	9¼—	⅛
10⅞	8	WebbDel	15	83	9⅞	9⅛	9⅞	+⅛
27⅞	24⅛	WeisMt .82	9	1	25⅞	25⅞	25⅞	
28⅞	26	WellsFg 1.12	9	113	27	26⅞	27 +	⅛
17⅞	9⅞	WellFM .54e	16	10	10⅛	10⅛	10⅛	
41	3	WlPIPe 2.40	7	110	34⅞	34⅞	34⅞+	¼
10⅞	8	WnAirL .40a	6	52	8⅞	8⅛	8⅞	
33⅛	26½	WnBnc 1.50		303	27½	27	27⅛—	⅛
18⅛	14⅞	WnNoA .40b	6	42	15⅞	15⅞	15⅞—	⅛
18⅞	14	WnPacIn	6	38	17½	17⅛	17⅛+	⅛
19	17	WnPubl .80	7	22	18	17⅞	18 +	⅛
20½	17⅞	WnUnion 1.40	9	80	18	17⅞	17⅞	
53½	50½	WnUn pf4.6		2	50½	50½	50½—	⅛
65	61½	WUI pf 6		3	62½	62⅛	62⅛—	⅛
27⅛	25⅞	WUTI pf 2.56		14	26	25⅞	26 —	⅛
18⅞	16¼	WestgEl .97	7	2919	18⅞	17⅞	18⅛+	⅛
1¼	13-16	Westmor		2	⅞	⅞	⅞	
32⅞	26	Wstvaco 1.10	9	39	31⅞	31⅞	31⅞	
23½	20¼	Weybrg 1.36	5	1	21½	21½	21½	
45½	38½	Weyerhr .80	17	1052	39	38½	38⅞—	⅛
64½	54½	Weyr pf 2.80		56	56	56	56	
26¼	24	Wheelf .72	12	194	26⅞	25⅞	26¼+	⅛
20	16⅛	WheelPlt		328	3	16⅞	16⅞	16⅞— ⅛
27	23⅞	Whirlpol 1	11	35	24¼	23⅞	24⅛+	⅛ 2
8⅞	6½	WhiteMt	4	43	7⅞	7⅞	7⅞	
27¼	21⅛	Whiting 1.50	7	3	27	26⅞	26⅞	
6⅛	5⅛	Whittakr	8	109	5⅞	5⅛	5⅛—	⅛
14⅞	13	Wickes .54r	8	73	13⅛	13	13⅛	
10	6½	WiebdtSt .32	8	2	7⅞	7⅞	7⅞—	¼

1977 High	Low	Stocks and Div in $	P/E	Sls. 100s	High	Low	Clsg. Quot.	Ch'ge prev. Close
26⅛	22⅞	Williams 1	10	241	23⅛	23	23⅛+	⅛
9⅞	6½	WilshrO .12	9	34	8⅛	8	8 +	⅛
45½	40	Winnx 1.56	13	6	41⅞	41⅞	41⅞+	¼
6⅞	4⅞	Winnbgo	18	215	5	4⅞	4⅞	
19⅛	15⅞	WinterJ .80a	5	3	15⅞	15⅞	15⅞+	⅛
32¾	27⅞	WiscEP 2	9	220	28	27⅞	27⅞—	¼
21¼	19⅞	WisGas 1.70	8	15	20	19⅞	20	
23⅞	19½	WiscPL 1.60	9	31	20⅞	20½	20⅞—	⅛
21¾	18⅞	WiscPS 1.46	9	48	19⅞	19½	19⅞	
33⅞	28	Witco 1.40	8	28	31	30⅞	31	
152	10⅞	WittrD .60	5	9	12⅞	12½	12⅞	⅛
5⅛	4	WolvrW .12	5	14	4⅞	4⅞	4⅞	
12⅞	10⅞	Wometco .38	6	16	11	10⅞	10⅞	
3⅞	6½	WoodCp .43	5	2	6⅞	6⅞	7⅛—	⅛
29½	19½	WoodPet .30	12	18	23	22⅞	22⅞—	⅛
26¼	24⅞	Wolwth 1.40	7	490	5⅞	25½	25⅞+	⅛
6	4⅛	WorldAir	23	3	5⅛	5⅛	5⅛—	¼
81	70⅞	Wrigly 3.40a	10	25	83⅞	7¼	80⅞—	⅛
9½	9¼	Wurlitzer n.40	4	23	9½	9⅛	9½+	⅛
19⅞	9⅞	Wylain .60	10	46	11	10¼	10⅞—	¼
2⅞	1⅞	Wyly Cp		52	1½	1⅞	1½	
X								
38¼	46⅞	Xerox 1.20	11	941	48¼	47⅞	48	¼
24⅞	15⅞	Xtra .08e	7	60	19½	18⅞	19⅛—	⅛
Y								
13	10⅛	Yates	7	55	12¾	12⅞	12⅞—	⅛
Z								
16⅞	14½	ZalnCp .86	6	41	14⅞	14⅞	14⅞—	⅛
14⅞	10½	Zapata .30b	3	470	10⅛	10	10¼—	⅛
8⅞	7	ZayreCp	4	45	8⅞	8	8⅞+	⅛
28	23	ZenithR 1	12	190	24½	24	24½	
16	13	Zurnind .45	9	25	13⅛	13⅞	13⅞—	⅛

Sales figures are unofficial.

Unless otherwise noted, rates of dividends in the foregoing table are annual disbursements based on the last quarterly or semi-annual declaration. Special or extra dividends or payments not designated as regular are identified in the following footnotes.

a—Also extra or extras. b—Annual rate plus stock dividend. c—Liquidating dividend. e—Declared or paid in preceding 12 months. i—Declared or paid after stock dividend or split up. j—Paid this year, dividend omitted, deferred or no action taken at last dividend meeting. k—Declared or paid this year, an accumulative issue with dividends in arrears. n—New issue. r—Declared or paid in preceding 12 months plus stock dividend. t—Paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date.

x—Ex-dividend or ex-rights. y—Ex-dividend and sales in full. z—Sales in full.

cld—Called. wd—When distributed. wi—When issued. ww—With warrants. xw—Without warrants. xdis—Ex-distribution.

vi—In bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies.

Year's high and low range does not include changes in latest day's trading.

Where a split or stock dividend amounting to 25 per cent or more has been paid the year's high-low range and dividend are shown for the new stock only.

New Issue
April 1, 1977

This advertisement appears as a matter of record only.

ASIAN DEVELOPMENT BANK
Manila, Philippines

ASIAN DEVELOPMENT BANK

DM 100,000,000
7% Deutsche Mark Bonds of 1977/1985

Interest: 7% p.a., payable on April 1 of each year
Offering Price: 100%
Repayment: on April 1, 1985 at par
Listing: Frankfurt am Main and Düsseldorf

Deutsche Bank
Aktiengesellschaft

Dresdner Bank
Aktiengesellschaft

Commerzbank
Aktiengesellschaft

Westdeutsche Landesbank
Girozentrale

Alahli Bank of Kuwait (K.S.C.)
Algemene Bank Nederland N.V.
A. E. Ames & Co.
Limited
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Arnhold and S. Bleichroeder, Inc.
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Banque Bruxelles Lambert S.A.
Banque Française du Commerce Extérieur
Banque Générale du Luxembourg S.A.
Banque de l'Indochine et de Suez
Banque Internationale à Luxembourg S.A.
Banque Nationale de Paris
Banque de Neuflize, Schlumberger, Mallet
Banque de Paris et des Pays-Bas
Banque Populaire Suisse S.A. Luxembourg
Banque Rothschild
Baring Brothers & Co.,
Limited
Bayerische Hypotheken- und Wechsel-Bank
Bayerische Landesbank Girozentrale
Bayerische Vereinsbank
Joh. Berenberg, Gossler & Co.
Berliner Bank
Aktiengesellschaft
Berliner Handels- und Frankfurter Bank
Caisse des Dépôts et Consignations
Citicorp International Group
Crédit Commercial de France
Crédit Lyonnais
Credit Suisse White Weld
Limited
Creditanstalt-Bankverein
Credito Italiano (Underwriters) S.A.
Daiwa Europe N.V.
Delbrück & Co.
Den norske Creditbank
DG Bank
Deutsche Genossenschaftsbank
Deutsche Girozentrale – Deutsche Kommunalbank –
Effectenbank-Warburg
Aktiengesellschaft
Euromobiliare S.p.A.
Compagnia Europea Intermobiliare
European Banking Company
Limited
First Boston (Europe)
Limited
Robert Fleming & Co.
Limited
Gefina International
Limited
Girozentrale und Bank der österreichischen Sparkassen
Aktiengesellschaft
Goldman Sachs International Corp.
Groupement des Banquiers Privés Genevois
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Georg Hauck & Sohn
Hill Samuel & Co.
Limited
Indosuez Asia
Limited
Industriebank von Japan (Deutschland)
Aktiengesellschaft
Istituto Bancario San Paolo di Torino
Kidder, Peabody International
Limited
Kjøbenhavns Handelsbank
Kleinwort, Benson
Limited
Kredietbank N.V.
Kredietbank S.A. Luxembourgeoise
Kuhn, Loeb & Co. Asia
Kuwait Foreign Trading Contracting & Investment Co. (S.A.K.)
Kuwait International Investment Co. s.a.k.
Kuwait Investment Company (S.A.K.)
Landesbank Rheinland-Pfalz – Girozentrale –
Lazard Brothers & Co.,
Limited
Lazard Frères et Cie
McLeod, Young, Weir & Company
Limited
Manufacturers Hanover
Limited
Merck, Finck & Co.
Merrill Lynch International & Co.
B. Metzler seel. Sohn & Co.
Morgan Grenfell & Co.
Limited
Morgan Stanley International
The National Bank of Kuwait S.A.K.
The Nikko Securities Co., (Europe) Ltd.
Nomura Europe N.V.
Norddeutsche Landesbank Girozentrale
Österreichische Länderbank
Aktiengesellschaft
Sal. Oppenheim jr. & Cie.
Orion Bank
Limited
Privatbanken
Aktieselskab
N. M. Rothschild & Sons
Limited
Salomon Brothers
J. Henry Schroder Wagg & Co.
Limited
Schröder, Münchmeyer, Hengst & Co.
Skandinaviska Enskilda Banken
Smith Barney, Harris Upham & Co.
Incorporated
Società Finanziaria Assicurativa RAS Group
Société Générale
Société Générale de Banque S.A.
Svenska Handelsbanken
Swiss Bank Corporation (Overseas)
Limited
Trinkaus & Burkhardt
UBS-DB Corporation
Union Bank of Switzerland (Securities)
Limited
Verband Schweizerischer Kantonalbanken
Vereins- und Westbank
Aktiengesellschaft
M. M. Warburg-Brinckmann, Wirtz & Co.
S. G. Warburg & Co. Ltd.
Westfalenbank
Aktiengesellschaft
Wood Gundy Limited
Yamaichi International (Europe) Ltd.

New Issue
April 1, 1977

This advertisement appears as a matter of record only.

BHP

The Broken Hill Proprietary Company Limited

Melbourne, Australia

U.S.$ 30,000,000 8% Bonds of 1977/1985
Offering Price: 99½ %

U.S.$ 30,000,000 8¼% Bonds of 1977/1989
Offering Price: 99 %

Listing: Luxembourg

Deutsche Bank
Aktiengesellschaft

Union Bank of Switzerland (Securities)
Limited

Amsterdam-Rotterdam Bank N.V.
Banque Nationale de Paris
Commerzbank
Aktiengesellschaft
Credit Suisse White Weld
Limited
Dresdner Bank
Aktiengesellschaft
First Boston (Europe)
Limited
Kidder, Peabody International
Limited
Kredietbank N.V.
Salomon Brothers International
Limited
S. G. Warburg & Co. Ltd.

Carl Gewirtz
on the Euromarket.
Every Monday. You can't afford to miss it.
International Herald Tribune

Tokyo Exchange

March 31, 1977

	Price Yen		Price Yen
Asahi Glass	239	Matsu E. Wks.	642
Canon	590	Mitsubi Hvy. Ind.	123
Dai Nip. Print	371	Mitsubi Corp	484
Fuji Bank	Unq.	Mitsui Co.	363
Fuji Photo	800	Mitsukoshi	441
Hitachi	203	Nippon Elec	270
Honda Motor	451	Sharp	376
C. Itoh	276	Shiseido	1,240
Japan Air L	2,320	Sony Corp.	2,760
Kansai El P	819	Sumitomo Bk	230
Kao Soap	782	Taisho Marine	305
Kirin Brewery	392	Takeda Chem	245
Komatsu	347	Teijin	119
Kubota	337	Tokio Marine	448
Matsu Ind.	630	Toray	122
		Toyota Motor	1,060

International Stock Indexes

	Yest.	Prev.	1977 High	1977 Low
Amsterdam	91.60	92.30	93.30	87.80
Brussels	101.55	102.40	107.62	101.55
Frankfurt	137.06	136.93	141.59	132.11
London 30	419.40	427.20	433.30	356.60
London 500	190.21	192.10	192.22	164.45
Milan	67.38	68.70	74.05	65.76
Paris	85.60	87.80	103.90	85.60
Sydney	722.81	433.77	447.81	419.68
Tokyo (n)	375.67	375.44	384.14	373.32
Tokyo (o)	5046.46	5011.75	5086.70	4928.09
Zurich	303.00	307.90	311.10	302.30

(n) new. (o) old.

EMPRESA NACIONAL DE ELECTRICIDAD S.A.
COCHABAMBA - BOLIVIA
PROJECT FOR THE EXPANSION OF CORANI HYDROELECTRIC GENERATING STATION

The Empresa Nacional de Electricidad S.A. (ENDE) is expanding its *hydroelectric plant at Corani*. This comprises:

1. The construction of a second penstock.
2. The expansion of the powerhouse building.
3. The installation of two 13.5 mw turbo-generator units.
4. The expansion of the 115 kv switchyard.

For the above project, tenders are invited for the design, manufacture, supply, shipment, delivery CIF Antofagasta Chile, of:

Structural steel for powerhouse and miscellaneous steel.

The purchase of the material described above will be financed by means of a loan from the Interamerican Development Bank, so this enquiry is subject to the elegibility requirements as well as the policies of this bank in conformance with the financial contract between ENDE and the bank.

This invitation to tender is open to tenderers from the Interamerican Development Bank regional member countries.

The tender document 49P-E 2052 may be obtained from ENDE, Avenida de las Heroinas No. 4574, Casilla 556, Cochabamba, Bolivia, on payment of Bolivian Pesos 1,000 (U.S. $50) per copy from April 5, 1977. Those interested in obtaining the tender documents can enquire and obtain whatever additional information needed or examine any plan or design that is not included in the tender documents in the offices of ENDE in Cochabamba.

The closing date for receipt of tenders is June 28, 1977, at 17 hrs. (local time) in the offices of ENDE in Cochabamba.

ENDE reserves the right to reject whatever proposals received that do not comply with the conditions of the tender documents.

Cochabamba, March, 1977.

EMPRESA NACIONAL DE ELECTRICIDAD S.A.
COCHABAMBA - BOLIVIA
PROJECT FOR THE EXPANSION OF SANTA ISABEL HYDROELECTRIC GENERATING STATION

The Empresa Nacional de Electricidad S.A. (ENDE) is expanding its hydroelectric plant at Santa Isabel. This comprises:

1. The construction of a second penstock.
2. The expansion of the powerhouse building.
3. The installation of one 18 mw turbo-generator unit.
4. The expansion of the 115 kv switchyard.

For the above project, tenders are invited for the design, manufacture, supply, shipment, delivery CIF Antofagasta Chile, of:

Structural steel for powerhouse and miscellaneous steel.

The purchase of the material described above will be financed by means of a loan from the International Bank for Reconstruction and Development, so this enquiry is subject to the eligibility requirements *as well as the policies of this bank in conformance with the financial* contract for loan 467/SF-BO.

This invitation to tender is open to tenderers from all member countries of the International Bank for Reconstruction and Development and Switzerland.

The tender document 50P-E 2069 may be obtained from ENDE, Avenida de las Heroinas No. 4574, Casilla 565, Cochabamba, Bolivia, on payment of Bolivian Pesos 1,000 (U.S. $50) per copy from April 5, 1977. Those interested in obtaining the tender documents can enquire and obtain whatever additional information needed or examine any plan or design that is not included in the tender documents in the offices of ENDE in Cochabamba.

The closing date for receipt of tenders is June 28, 1977, at 17 hrs. (local time) in the offices of ENDE in Cochabamba.

ENDE reserves the right to reject whatever proposals received that do not comply with the conditions of the tender documents.

Cochabamba, March, 1977

International Bonds Traded in Europe

Midday Indicated Prices

Dollar Bonds

Air France 9½-82	103	104
Ashland 8-87	100¾	101½
Aust.R.D. 9¼-80	103¾	104¾
Aust-Swiss 8-87	99¼	100¼
Bell Cnda 8¾-86	104½	105¼
BFCE 8¾-83	102	102½
B.N.P. 9½-81	104½	105½
BrasCan 9¾-82	103½	104½
British Gas 9-81	103	104
Broken Hill 9½-81	104	105
Carrier 8-87	100	101
Charbongs 8¾-81	101¾	102¾
CNE 9¼-85	103	104
CN Rhone 10-80/82	104½	105½
Cons Food 7½-91	96½	97½
Conoco 8-86	102	103
Cont Tel 8¼-86	101½	102
Cut Ham 8-87	100½	101½
Denmark 7½-90	93¼	94¼
Dow Cor 8½-86	102½	104
Dupont 7½-78	97¾	100¾
EEC 8¼-82	101¾	102½
ECS 6¾-81	103	104
ECS 9½-86	104	105
EIB 9½-85	105	106
Erap 9¾-85	103½	104½
Esso 8-86 Nov	102¾	103¾
Eurofima 8½-83	103	104
First-Chic 7-80	101¼	102¼
Gen Mot 8¾-86	106	108
Gould 9¾-83	105¾	106¾
Gulf Westn 9½-82	105¾	104¾
Home Oil 9½-86	104	105
I.D.B.J. 9¼-82	103½	104½
Intl Util 8½-82	101	102
ISE Cnda 9-82	104¼	105¼
Manitoba 8¾-83	103¾	104¾
Michelin 9¼-86	102¾	103¾
Modo 9½-83	102¾	103½
Montreal 9¾-81	105¼	106¼
Montreal 9¼-83	103	104
Motorola 8-87	102¼	103¼
NatWest 9-86	102¾	103
New Brunsw 9-83	103½	104½
N Zealand 9½-82	104	105
N Zealand 8½-83	103½	104½
NrsKombk 7½-87	98	99
Norpipes 9¼-86	103	104
Norsk-Hydr 9¾-85	106¾	107¾
NorthAmR 7¾-79	100	101
Norway 9-80	105½	106½
Norway 8½-81	103¾	104¾
Occidental 9½-83	104¾	105¾
Ontario 9-83	104¾	105¾
Oslo 9-88	101¾	102¾
Pac Light 9¼-81	104	106
Pennwall 8-87	99¼	100¼
QuebProv 8½-81	101¾	102¾
QuebProv 9-83	102½	103½
QuebProv 7½-88	92½	93½
Ralston 7½-87	99	100
ReadBates 9½-81	103¾	104¾
Sandvik 9½-86	103	104
S.A.S. 8-85	99¼	100¼
Seagram 9-83	104	105
SFE 9-83	103¾	104¾
Shell 8-86	102½	103¼
Shell 7½-87	99	100
SNCF 9¼-81	104½	105½
St Ind 8½-90	103	104
St Ind 8½-88	104¾	105¾
S Handels 9¼-86	104	105
Tenneco 7½-79	101	102
Tenneco 7¾-87	99	100
Textron 7¾-87	98	99
Transocean 8-86	102¼	103¼
Transocean 7½-87	99	100
Union Oil 7-79	101½	102½
Union Oil 7½-87	99	100
Utah 8-87	101¾	102¾
Volvo 9½-85	104¼	105¾

Convertible Bonds

Amexco 4½-87	85	87
Ashland 5-88	92	94
Beatrice 6¼-91	112	114
Beatrice 4½-82	97½	99½
Borden 6½-91	113½	115½
Borden 5-92	101½	103½
BroadHale 4¾-87	77	79
Carnation 4-88	83½	85½
Chevron 5-88	123	125
Chrysler 4¾-86	67	69
Chrysler 5-88	73	75
Cont Tel 5½-88	85	87
Cr Suisse 4¾-91	100¼	101¼
Cumm in 6¼-86	103½	105½
Dart Ind 4¾-87	80½	82½
East Kodak 4½-88	97½	99½
E.L. Int 4½-87	78½	80½
Fairchild 5½-91	98	99
Firestone 5-88	85½	87½
Ford 6-86	99½	101½
Ford 5-88	88	90
Gen Elec 4¼-87	85½	87½
Gen Foods 4½-82	91½	93½
Gillette 4¾-82	88	90
Gillette 4¾-87	78½	80½
Gould 5-87	120½	122½
GulfWestn 5-88	87	89
Honeywell 6-86	89	91
I.S.E. 6¼-89	88	90
ITT 4¾-87	83½	85½
Komatsu 7¼-90	107	108
Matsushita 6¾-90	115½	117
Mitsui 7¼-90	108¾	109¾
McDermt 4¾-87	148	150
MorganJP 4¾-87	101	103
Nabisco 5¼-88	98	100
Owens Ill 4½-87	116	118
Penney JC 4½-87	80	82
Phil Lamb 4¾-83	94	96
R.C.A. 5-88	84	86
Revlon 4¾-83	114	116
Revlon 4¼-87	105	107
Sperry 4¼-88	89	91
Squibb 4¼-87	78½	80½
Texaco 4½-88	78	80
UBS 5-81	106½	107½
Un Carb 4¾-82	104	106
WarnLamb 4½-87	83	85
WarnLamb 4¾-88	77½	79½
Xerox 5-88	78	80

Bondtrade—Index

(Basis Dec. 31, 1966 = 100)

	Med.	Long	Conv.
Yesterday	102.75	95.17	107.88
Previous	102.74	95.16	108.42

Currency Rates

March 31, 1977

By reading across this table of yesterday's closing inter-bank foreign exchange rates, one can find the value of the major currencies in the national currencies of each of the following financial centers. These rates do not take into account bank service charges.

	$	£	DM	FF	L. It.	Gldr.	BF com.	SwissF.	Dan.Kr.
Amsterdam	2.4920	4.2670	104.31*	50.225*	28.06y	—	6.8070*	98.0*	42.61*
Brussels (c)	36.61	62.965	15.3255	7.360	4.126*	14.692	—	14.398	6.26
Frankfurt	2.3697	4.1102	—	48.09*	2.692x	95.90*	6.529*	93.92*	40.35*
London (z)	1.72015	—	4.11175	8.5460	1.526	4.2830	62.975	4.3735	10.0600
Milan	887.35	1526.40	371.43	178.50	—	356.08	24.24	348.97	151.71
Paris	4.9705	8.54675	203.065*	—	5.6025*	199.525*	13.5807*	195.335*	84.984
Zurich	2.5460	4.38025	106.445*	51.23*	0.28685*	102.14*	6.95*	—	43.64*

The following are dollar values only: Danish krone: 5.8480; Escudo: 38.64; Israeli £: 9.42; Peseta: 68.655; Schilling: 16.945; Sw. krona: 4.1990; Yen: 277.525; Norw. krone: 5.2240 Fin. mark: 3.7990 Belgian financial franc: 36.66; Hong Kong $: 4.6360: Singapore $: 2.46205: Canadian $: 0.94575.

(c) Commercial franc (*) Units of 100. (x) Units of 1,000. (y) Units of 10,000. (z) Amounts needed to buy one pound.

FAST, FREQUENT, DAILY.

NEW YORK
LOS ANGELES

LOS ANGELES
NEW YORK



American Airlines

Amex Nationwide Trading (3 O'clock) March 31

1977 High	1977 Low	Stocks and Div in $	P/E	Sls. 100s	High	Low	3 p.m. Quot.	Ch'ge Prev. Close
7⅛	5⅝	A E Pls	4	22	6¼	6	6¼+	¼
11⅝	9½	AARCp .36	7	21	10	9	10 +	¼
5⅞	4⅝	AAVCos .32	5	4	5⅛	5⅝	5⅝	
12½	10⅜	ASPRO .36	6	1	11	11⅝	11⅝+	⅛
1¼	11-16	ATI Inc		6	1⅛	1⅛	1⅛—	⅛
11⅞	9¾	AVCCp .40	5	30	11⅞	11⅝	11⅞+	⅛
12½	11¼	AVXCp .32	7	34	12⅛	12	12⅛+	⅛
1⅝	1⅛	AcmeHm		68	1⅝	1½	1½+	¼
9⅛	6⅞	Acton .28b	5	3	6⅞	6⅞	6⅞	
4⅞	3⅛	ActonCp	13	9	4⅛	4⅛	4⅛	
5¼	3¾	AdamRs	8	2	4⅞	4⅞	4⅞—	⅛
16⅝	13⅝	AdobeOil .16	15	30	14	13⅝	13⅝—	⅛
1⅞	1¼	AegisCp	7	138	1⅝	1½	1½	
10⅛	8½	AeroFlo .15e	5	1	8½	8½	8½	
2¼	1⅝	Aeronca		3	1⅞	1⅞	1⅞	
4⅞	3⅝	AffilCap .10e	4	13	4⅝	4½	4½—	¼
7	5⅞	AfterSix .24	6	2	6¾	6¾	6¾—	⅛
8¾	6½	AlanWds		2	7½	7½	7½—	⅛
5⅛	4½	Alaskir	4	11	4⅞	4⅝	4⅞+	⅛
10	8¼	AllegCo wt		2	9⅝	9½	9⅝	
6⅛	4⅞	AllegAir	8	67	5⅛	5	5⅛	
1⅞	1⅞	AllegA wiO		1	2½	2½	2½	
6⅛	5⅝	AllianT .36e	4	4	6⅛	6⅛	6⅛+	¼
1⅝	1	AlldArt		18	1⅝	1	1⅝+	⅛
20⅝	13⅝	AlldThr .88	9	23	20½	19¾	20¼+	½
3⅛	2	Alphalnd	8	1	2⅝	2⅝	2⅝+	⅛
7⅛	5⅝	Altamil .10e	4	3	6½	6¼	6½+	⅛
1⅝	⅞	AltecCp		9	1	1	1 —	⅛
7-16	3-16	AltecCp wt		1	3-16	3-16	3-16	
6⅝	5¼	AltecCrp pf		3	5⅝	5⅝	5⅝+	¼
15¼	11½	ALTERFds .50	9	2	13⅛	13⅛	13¼—	
12¾	4⅛	AMAX wt		8	4⅝	4½	4½—	⅛
8¾	6⅞	AmBiltrt .50	7	2	7⅛	7⅛	7⅛—	⅛
21	16⅞	AmBrd wt		32	19⅞	19⅝	19⅞+	⅛
2	1¼	AmFletch		4	1⅜	1⅜	1⅜	
3-16	1-16	AmFltch wt		1	3-32	3-32	3-32+	1-32
9⅞	5⅞	AGarPd .34		6	7⅝	7⅝	7⅝—	¼
2⅞	2¼	Alsrael .10r	5	1	2⅝	2⅝	2⅝	
10⅝	8½	AMaizeA .40	6	8	9	8⅞	9 +	⅛
10½	8½	AMaizeB .40	6	6	8⅞	8⅞	8⅞	
52⅜	49	AmMtl 2.80e	5	4	51⅝	51⅛	51⅝+	½
5⅜	⅛	AMotInns	6	7	4¾	4⅝	4¾	
37⅜	32¾	AmPetf 2.20	8	3	35	34⅞	34⅞—	⅝
6	4½	ASafE	6	118	5⅛	5	5	
13⅞	9¼	AmScIE .04e	23	44	10½	10⅛	10⅛+	⅛
12⅛	10⅝	AmUtlS .63e		12	11⅛	11⅛	11⅛	
3⅝	2	AnsloC .13e	8	40	3⅛	3⅛	3⅛+	⅛
7⅝	5¼	Anthony .32t	3	4	5⅝	5¼	5¼—	⅛
6⅞	5⅛	AppldDta	7	16	5⅝	5½	5½+	¼
6¼	3	ApldDev	13	15	4	3⅞	3⅞—	⅛
17⅝	14½	AquitCa .30	9	2	14¾	14⅝	14½	
5⅞	4	ArizCL .10e	14	1	4⅛	4⅛	4⅛	
7	5⅞	ArzCol pf .48		2	6½	6¼	6¼—	⅛
7½	5½	ArmInCp .12	7	6	5⅝	5½	5½	
6⅛	4⅛	ArrowE	10	17	6⅛	6	6⅛+	⅛
10⅝	9⅝	Asamera .30	12	329	12		12	
11⅞	9¾	AshlOC .20	9	19	11		10¾ 11 +	¼
1⅛	⅞	AskInSvc		2	⅞	⅞	⅞	
5⅛	4⅛	strex .15e	7	10	4⅝	4½	4½	
5⅝	4⅞	Atalanta .20e	3	2	4⅞	4⅞	4⅞+	⅛
1⅛	13-16	Atco Ind		3	15-16	15-16	15-16—	1-16
4⅞	3⅝	AtlasCM .11e	11	x23	4⅛	4⅛	4⅛	
11⅞	9	AtlasCp wt		16	10½	9⅞	10⅛+	½
23⅞	14¾	AustralO	25	167	22½	22⅛	22⅛—	⅛
7	5⅞	AutoTrn .70t		4	6⅛	6⅛	6⅛+	¼
5⅝	4	AutmRad	3	4	4⅝	4⅝	4⅝—	⅛
29¼	23⅝	Avondal 1.20	9	1	25¾	25⅝	25⅝—	⅛
8¼	7	AydinCp	7	9	7¼	7⅛	7¼+	⅛

B

1977 High	1977 Low	Stocks and Div in $	P/E	Sls. 100s	High	Low	3 p.m. Quot.	Ch'ge Prev. Close
1⅛	13-16	BRT .30e		5	13-16	13-16	13-16—	1-16
1-16	1-32	BRT wt		10	1-32	1-32	1-32	
2⅝	1⅜	BTU Ens		1	1⅜	1⅜	1⅜	
12¾	8⅝	BadorMt .50	1	5	12	12	12	
14⅞	10⅞	BwOREI .24	7	30	14½	14¼	14⅛+	⅛
18¼	16⅛	BanFd 1.16e		4	17½	17¼	17½+	⅛
14⅞	9½	Banister .40	6	17	11⅞	11⅛	11⅞—	⅛
6⅝	4¾	Banner .08	7	371	6⅛	5⅞	6⅛+	⅛
2⅛	1⅜	Barclay .04	33	6	1⅝	1⅝	1⅝+	⅛
5⅛	2⅞	BarcoCa .12	9	1	3⅝	3⅝	3⅝	
10	7⅞	Barnwl .20e	34	5	9⅝	9⅝	9⅝	
12½	10	BarryWr .44	8	7	11⅞	11¾	11⅞	
2⅛	1⅜	Bartons		4	1⅜	1⅜	1⅜	
6¼	4⅝	Bellind .08a	6	43	5⅞	5⅝	5⅞+	⅛
3⅞	2⅛	Benrus	16	2	2⅝	2⅝	2⅝	
3½	2⅛	Berg Ent	131	10	2¾	2⅝	2⅝	
7⅝	5	BergenB	6	38	5⅝	5½	5½	
3¼	2⅛	Brnzo		10	2⅛	2⅛	2⅛	
6	5	Bertea .14	9	33	6⅛	5⅞	6⅛+	⅛
3⅞	2¾	BervanC .06		7	2¾	2¾	2¾	
3¼	2⅛	BeverlyE		65	2⅞	2½	2⅞+	¼
13⅞	11¾	BicPen .8	9	11	13⅞	13⅝	13⅞	
5¼	4	BigDad	6	10	4⅛	4⅛	4⅛—	⅛
8	7	BigVSup .26	4	6	7¾	7⅜	7⅜	
16⅞	13	binkMf 1a	7	1	16¼	16⅛	16⅛	
18⅞	14⅞	BinnySm .80	7	43	16⅞	16½	16⅞+	¼
8	6⅞	BoltBr .20f	6	3	6⅞	6⅞	6 —	⅛
24¼	16⅛	BowVall .10	101	37	17¼	16⅞	17¼+	⅛
11⅝	9½	Bowne .30	5	4	9⅝	9⅝	9⅝	
9⅞	7⅝	BradfdN .20	10	31	7⅞	7⅝	7⅞+	⅛
9⅞	7½	BranifAr wt		3	7⅝	7½	7⅝+	⅛
12¼	11¼	BrascanA ½	¾		11⅝	11½	11⅝	11⅝
24⅞	21¼	BraunEn 1	6	3	23⅞	23½	23⅞+	⅛
11⅞	9⅞	BrewerC		17	10⅛	10⅛	10⅛+	⅛
3½	1⅞	BroDart .30	6	5	3⅛	3⅛	3⅛	
2⅞	2	BrownCo wt		10	2	2	2	
14¼	12⅞	Buellind .40b	5	2	13⅛	13⅛	13⅛—	⅛

1977 High	1977 Low	Stocks and Div in $	P/E	Sls. 100s	High	Low
4	3⅝	Bulldex	5	5	3⅝	3⅝
3⅞	2¾	Burgess	7	45	2⅞	2¾
15¼	13⅝	Buring 110	6	10	14⅛	14
11	9⅛	Burnsin .60	7	12	9⅝	9⅝
13½	9⅞	Butlerin .50	6	15	13	12⅞

C

1977 High	1977 Low	Stocks and Div in $	P/E	Sls. 100s	High	Low
38	21⅝	CK Pet .20e	22	47	33½	32⅞
3⅛	1⅜	CDI Cp	18	1	3⅛	3⅛
7¼	5⅛	CHB Fd	3	1	5⅝	5⅝
9⅝	6	CHCCp .24r	12	67	9⅛	9⅛
3⅛	2⅛	CAI Cp	9	20	3	2⅞
8⅝	6⅝	CRSDes .20	5	3	7¼	7¼
13⅛	10⅛	CSECp .64	5	3	13⅛	13⅛
13⅛	10⅛	CSECp .64	5	3	13⅛	13⅛
10	5⅞	Cablcom	8	3	10	10
14⅛	11¼	Caldor .25	8	13	13⅝	13⅛
5⅝		Calcomp		27	3	3
4¼	3⅛	CalLife	5	2	3⅛	3
18	15⅛	CalPrtC 1	8	15	16⅛	16⅛
8¼	6	Camco		13	6⅛	6⅛
3 15-16	3	CaChbA		14	3 11-16	3 9-16
5⅝	4⅝	Campin		2	4⅞	4⅞
6⅞	5⅛	dnExp .65e	7	6	6	5⅞
8	5⅝	CdnHomO	17	5	6	5⅞
20½	6⅝	CdnPA 1.50	9	1	20⅛	20⅛
14½	12½	CdnMerr	10	6	13⅛	13⅛
16½	14½	CdnOcl .54	6	2	14⅞	14⅞
42½	37⅞	CdnSupO	9	83	39½	39⅛
2⅛		Capehart		10	2⅛	2
	2⅛	CapitlFd .20	4	7	3	2⅞
5⅞	4	¼ Caressa .30	13	5	4⅞	4⅞
78⅞	67	Carnat 1.80	13	51	70½	70⅛
14⅝	13⅛	CaroPipl 1b	8	1	14	14
5⅝	4⅞	CarrolDv		23	4⅛	4⅛
18⅝	17⅛	CasFd 1.20a		3	17⅝	17⅝
2¼	1⅛	Castleln	12	7	2	1⅞
8¼	9¼	Cavitrn .12e	17	106	17⅞	16⅞
6⅝	5⅞	CentSec .50e		11	6⅝	6⅝
3⅝	2¼	CentryF	13	7	3	3
22⅜	12½	Cenvill 1	18	8	18⅞	18⅞
23⅞	22¼	CenM pf2.25			23	23
1⅛	¾	Certron	15	1	⅞	⅞
2⅝	1⅝	CetecCp	9	15	2⅛	2⅛
	2⅞	ChampHo		226	3	2⅞
6⅞	4⅞	CharmMd	6	1	4⅞	4⅞
4⅞	3⅛	ChemEx	6	70	4⅛	4⅛
12⅞	10⅝	ChiefDev	13	22	10⅞	10⅝
12⅝	½	ChikWld	7	2	9⅞	9⅞
4⅛	3	Christna .70e	6	9	3⅛	3⅛
12⅛	10⅛	CircleK .70	8	77	11	10⅝
9⅞	7⅛	Citation .40b	5	6	8	7⅞

(Continued on next page.)

NEW YORK, March 31.—*Cash prices in primary markets as registered today in New York were:*

Commodity and unit	Thurs.	Year ago
FOODS		
Cocoa Accra, lb.	*1.83	*.94¾
Coffee 4 Santos, lb.	*3.25	*1.35
TEXTILES		
Printcloth 64-30 38½, yd.	.37	.37⅛
METALS		
Steel billets (Pitt.), ton	240	212
Iron 2 Fdry, Phila., ton	210.19	213.92
Steel scrap No. 1 hvy Pitt.	74-75	91-92
Lead spot, lb.	.31	.22½-.23
Copper elect., lb.	74⅝	70⅝
Tin (Straits), lb.	4.7349	3.6797
Zinc, E. St. L. basis, lb.	.37	.37
Silver N.Y., oz	4.790	4.33
Gold N.Y., oz.	148.90	136.80
COMMODITY Indices		
Moody's index		
March 31	945.6 F	797.2

f—Final.
* Nominal.
‡ Revised.

NEW YORK FUTURES

March 31, 1977

SUGAR NO. 11 (50 tons)

	Open	High	Low	Close	Prev.
May	9.39	9.40	9.30	9.7	9.36
Jul	9.48	9.50	9.39	9.46	9.45
Sep	9.49	9.53	9.43	9.48	9.45
Oct	9.50	9.53	9.42	9.49	9.45
Mar	9.75	9.79	9.67	9.72	9.65
May	9.80	9.81	9.71	9.77	9.71
Jul	9.80	9.86	9.73	9.78	9.75

Sales: 3,226
a-asked, b-bid, n-nominal

COCOA (30,000 lbs)

May	161.25	164.80	161.25	164.70s	167.00
Jul	168.0	160.25	157.30	159.95s	162.69
Sep	153.25	165.50	153.00	155.60s	159.00
Dec	143.00	145.50	143.50	145.55s	147.50
Mar	137.25	140.25	137.25	140.25s	141.25
May	135.00	136.00	133.95	136.25s	136.30
Jul	130.50	132.00	129.95	132.30s	132.0

Sales: 1,103
s-settling.
Spot acral.83

COPPER (25,000) lbs

Apr	69.90	69.90	69.50	70.20s	70.00
May	70.20	.70	69.70	70.60s	70.50
Jul	71.30	71.30	70.50	71.60s	71.50
Sep	72.30	73.10	71.70	72.60s	72.50
Dec	73.50	74.00	73.00	74.00s	73.80
Jan	4.00	74.40	73.70	74.30s	74.00
Mar	74.80	75.20	74.20	75.10s	74.90
May	75.60	75.70	75.0	75.90s	75.70

Sales: estimated 6,546.
s-settling

COTTON, No. 2 (50,000 lbs)

May	77.50	79.60	78.30	78.30	71.09
Jul	79.50	79.60	u8.15	78.15	78.95
Oct	75.30	75.45	74.20	74.25	75.20
Dec	71.00	71.05	70.04	70.10	70.84
Mar	71.25	71.25	70.50	b70.40	71.15
May	—	—	—	b70.65	71.80
Jul	—	—	—	b70.45	71.30

Sales: 2,750.
a-asked, b-bid, n-nominal.

MAINE POTATOES (50,000 lbs)

Apr	7.00	7.05	6.85	6.91	6.98

ROUND WHITE POTATOES

May	8.40	8.48	8.09	8.18	8.30
Nov	5.46	5.6	5.41	5.43	5.50
Mar	6.61	6.61	6.51	6.53	6.63
May	8.45	8.45	8.40	8.40	8.48

Sales: 2,468

ORANGE JUICE (15,000) lbs

May	78.80	79.00	78.30	78.90	79.30
Jul	79.10	79.10	78.1	78.25	79.10
Sep	77.90	77.90	77.10	b77.40	78.00
Nov	76.45	76.45	76.00	76.30	76.60
Jan	71.20	71.20	70.75	70.95	71.40

U.S. Commodity Prices

Mar	69.7	69.75	69.36	b69.80	b70.35
May	69.80	69.80	69.75	b69.80	b70.35

Sales: 450.

N.Y. SILVER (5,000 troy oz)

May	481.50	485.70	479.00	483.20s	483.50
Jl	487.00	494.00	484.50	488.20s	488.50
Sep	492.00	495.80	489.50	493.10s	493.30
Dec	500.0	500.80	496.60	500.60s	50.70
May	508.00	5150.0	509.30	513.10s	513.20
Jul	517.90	518.20	516.70	518.00s	516.20

Sales estimated: 8,400.
s-settling

GOLD (100 troy ounce contracts)

Apr	148.20	149.20	1400	149.50s	150.00
Jun	149.50	151.20	149.30	151.00s	151.50
Aug	151.00	152.40	150.80	12.50s	153.00
Oct	152.30	154.40	152.30	154.10s	154.60
Dec	154.50	155.90	154.50	155.70	156.20
Feb	156.50	156.70	156.40	157.40s	157.90
Apr	158.30	158.80	157.80	159.10s	159100
Jun	160.00	160.00	160.00	160.85	161.30

Sales estimated 2,610.
s-settling.

CHICAGO FUTURES

March 31, 1977

....WHEAT (5,000 bu)

	Open	High	Low	Close	Prev.
May	2.71¼	2.73	2.70	2.72	2.71½
Jul	2.79	2.80¼	2.77½	2.¾	2.79
Sep	2.85	2.87	2.84½	2.86½	2.86
Dec	2.96	2.96½	2.94	2.96¼	2.96
Mar	3.05	3.05½	3.03	3.05½	3.04¾
May	3.10½	3.11¾	3.09¾	3.11¾	3.10¾

....CORN (5,000 bu)

May	2.53	2.53¾	2.51½	2.52	2.53½
Jul	2.59	2.59	2.57½	2.58	2.59½
Sep	2.60¼	2.61½	2.60¼	2.61	2.61½
Dec	2.63	2.64½	2.63	2.63¾	2.64
Mar	2.69	2.70¼	2.68¾	2.69¼	2.69¾
May	2.73	2.74	2.72¾	2.73¼	2.74

....SOYBEANS (5,000 bu)

Jul	8.87	8.98	8.84	8.98	8.87
Aug	8.83	8.90	8.79	8.90	8.82
Sep	7.98	7.99	7.94	7.96¾	7.98
Nov	7.21	7.23½	7.16½	7.22½	7.21
an	7.24	7.26½	7.20½	7.26	7.26
Mar	7.31	7.31½	7.25½	7.31½	7.28
May	7.32	7.33½	7.28	7.34	7.30

....SOYBEAN OIL (60,000 lbs)

May	28.05	28.40	27.65	28.30	27.90
Jul	28.20	28.65	28.05	28.40	28.20
Aug	28.30	28.45	28.15	28.35	28.10
Sep	27.70	28.5	27.70	27.90	27.61
Oct	26.50	26.95	26.45	26.85	26.30
Dec	26.00	26.49	25.90	26.40	25.95
Jan	26.00	26.40	26.00	26.25	25.90
Mar	26.05	26.30	26.05	26.20	25.90
May	25.93	26.20	25.93	26.05	25.80

....SOYEAN MEAL (100 tons)

May	250.00	250.50	247.80	250.00	250.50
Jul	252.50	253.80	251.20	253.00	253.50
Aug	249.50	251.50	249.00	251.00	251.50
Sep	227.00	227.50	224.50	226.50	228.00
Oct	198.50	199.50	197.50	199.00	199.10
Dec	193.00	194.00	192.00	194.00	193.50
Jan	193.00	193.50	192.00	193.00	193.50
Mar	194.00	195.50	194.00	195.50	194.50
May	196.00	196.00	196.00	196.00	196.00

LIVE BEEF CATTLE (40,000 lbs)

Apr	38.45	38.47	38.25	38.25	38.35
Jun	41.60	41.75	41.35	41.37	41.65
Aug	42.50	42.60	42.30	42.30	42.35
Oct	43.20	43.25	42.87	42.97	43.00
Dec	44.40	44.45	44.02	44.10	44.
Feb	44.75	44.75	44.60	44.60	44. 5
Apr	45.10	45.10	44.85	45.00	b45.05
June	47.00	47.00	46.25	46.25	—

Sales: April 1935; June 4128; Aug 1256; Oct 438; ec 240; Feb 98; April 16; June 10.
Open interest: April 10296; June 19521; Aug 10867; Oct 4475; Dec 7583; Feb 1399; April 693.

LIVE HOGS (30,000 lbs)

Apr	35.20	35.50	34.95	35.50	35.35
Jun	38.10	38.50	37.90	38.37	38.10
Jul	40.15	40.85	40.05	40.60	40.30
Aug	39.55	40.20	39.45	a40.10	39 60
Oct	36.60	37.35	36.50	37.10	b36.80
Dec	36.70	37.50	36.65	37.15	b36.92
Feb	—	—	—	a38.00	b37.80
Ar	—	—	—	a36.75	b36.65
Jun	—	—	—	a38.05	a37.90

Sales: April 959; June 1697; July 825; Aug 368; Oct 175; Dec 34; Feb 0; April 0; June 0.
Open interest: Aprip 2994; June 4981; July 3260; Aug 1866; Oct 1071; Dec 351; Feb 119; April 25; June 2.

....SILVER (5,000 troy oz)

Apr	475.80	484.00	476.00	482.50	479.80
May	484.20	485.00	484.20	485.00	48.00
Jun	485.00	489.00	482.10	487.70	485.50
Aug	491.80	493.80	487.30	493.00	490.80
Oct	497.00	499.00	492.50	498.50	495.0
Dec	501.50	504.00	497.50	502 50	500.50
Feb	505.00	588.50	503.0	57.50	505.70
Apr	510.50	513.00	508.00	512.50	510.80
Jun	515.70	519.00	51.50	517.50	516.00
Aug	521.50	523.00	516.50	522.00	521.30
Oct	528.00	528.50	525.00	527.40	526.40

SHELL EGGS (22,500 doz)

Apr	46.65	46.90	45.25	45.75	b46.65
May	47.10	47.20	46.35	b46.75	47.50
Jun	48.10	48.40	47925	b48.40	48.25
Jul	49.85	49.95	49.00	49.85	49.65
Sep	54.35	54.60	54.05	54.50	54.15

Sales: April 337; May 204; June 34; ul 14; Sep 15.
Open interest: March 4; April 525; May 512; June 148; Jul 38; Sep 93.

PORK BELLIES (36,000 lbs)

May	54.60	55.35	54.20	55.05	54.70
Jul	55.00	55.95	54.90	55.95	55.35
Aug	53.80	54.65	53.65	54.30	54.00
Feb	55.20	56.00	55.20	56.00	b55.85
Mar	—	—	—	b55.10	b54.90
May	—	—	—	b55.60	55.40

Sales: May 3913; July 704; Aug 294; Feb 42; March 0; May 0.
Open interest: March 1; May 409; July 4158; Aug 1519; Feb 376; March 104; May 4.

b—Bid; a—Asked; n—Nominal

London Commodities

March 31, 1977

	High	Low	Close (Bid-Asked)	Previous (Close)
SUGAR				
May	135	133.50	133.60-133.95	133.55-133.70
Aug	137.25	135.50	136 -136.10	135.60-135.70
Oct	139	138	137.75-138	137.80-137.85
Dec	142	140.50	140.80-141	140.45-140.50
Mar	146	145	144.75-145	144 -144.25
May	148.50	147	146.75-147	146 -146.50
Aug	151	149	149 -149.25	148.80-149
Lots: 1,686.				
COCOA				
Mar	2340	2130	—	2380 -2390
May	2253	2190	2236 -2238	2293 -2295
Jul	2194	2125	2180 -2182	2208 -2210
Sep	2120	2060	2107 -2109	2146 -2150
Dec	2010	1940	1977 -1978	2015 -2020
Mar	1943	1900	1936 -1940	1975 -1978
May	1895	1880	1890 -1895	1934 -1935
Lots: 4,125.				
COFFEE				
May	3900	3781	3805 -3815	3394 -3952
Jul	3945	3815	3852 -3854	3975 -3985
Sep	3975	3840	3871 -3872	4008 -4012
Nov	3995	3870	3885 -3895	4035 -4040
Jan	3990	3850	3840 -3850	4035 -4050
Mar	3930	3845	3856 -3858	4050 -4060
Lots: 6,615.				

London Metal M

March 31, 1977

	Today Bid-Asked
Copper wire bars:	
spot	880 - 882
3 months	907 - 907.50
Cathodes: spot	871 - 872
3 months	897 - 897.50
Tin: spot	5,525 - 5,555
3 months	5,690 - 5,700
Lead: spot	370 - 371
3 months	380 - 382
Zinc: spot	391 - 393
3 months	404.50 - 405
Silver: spot	279.80 - 280
3 months	286.30 - 286.40

Paris Commod

March 31, 1977

	High	Low	Ch (Bid-
SUGAR			
May	1,185	1,165	1,17
Jul			1,18
Aug	1,240	1,230	1,22
Oct	1,260	1,255	1,24
Nov			1,26
Dec			1,25
Jan			1,27
Mar			1,27
May			1,27
Lots: 42.			
COCOA			
May	1,995	1,940	1,953
Jul			
Sep	1,677		1,662
Dec	1,725	1,670	1,690
Mar			
Lots: 150.			

Eurocurrency Interest Rate

	Dollar	German Mark	Swiss Fran
7 D.	4⅞-5	[illegible]	1¼-2
1 M.	[illegible]	[illegible]	[illegible]
3 M.	[illegible]	[illegible]	[illegible]
6 M.	[illegible]	[illegible]	3¼-3
1 Y.	[illegible]	[illegible]	[illegible]

European Gold M

March 31, 1977

	Open
London	149.80
Zurich	149.875
Paris (12.5 kilo)	150.27

U.S. dollars per ounce.

Thursday'
New Highs and

NEW HIGHS—

AlldStrs wi	GrtLkDred
Brckwy Gls	JerC 13.0pf
Curtiss Wrt	LehPrt Cem
ElMemM pf	Litton Ind
Engelh Min	Longisl Ltg
edSignal n	MoPub Svc
Gamb 1.75pf	

NEW LOWS—

AetnaLfeC	Hellerlnt
AirPro	HellerInt pf
Alleg Pw	Hercule Inc
Am Cyan	Hughes Tool
A DualVest	Hutton EF
Am Invest	IndM 7.76pf
Amtel Inc	Inland SH
Angelica	IntMULTIFD
Arvinln 2pf	IntrsPw pf
Avco Corp	IowaEl LtP
Bandag Inc	Keene Corp
BankAmer	Kerr Glass
BankTr NY	KerrMcG
Beco Pet	LearSieg pf
Beldg Hem	Liget Grp
Benef 4.30pf	LouLd Exp
BrushWell n	MEI Corp
CIT Financl	MGIC Inv
CartHawl pf	Marathn Oil
Chase Manh	Maremont
Cem NY	Mryld Cup
ChesebP	Masco C
ChurChick	MasMut Inc
ConEd 5pf	May dstr
Contlil Cp	Maytag
Craig Corp	McDonld
Culbro Cp	McLeanTr
Delta AirL	Melville Cp
Dennys Inc	Merrill Lyn
Dentsply Int	Mesa Pet
DeSoto Inc	MesP 1.60pf
DonLuf Jen	NLT Corp
duPont	NVF Co
EastnAirL	Nalco Chem
Esmark	Nat Chemsh
Excelsr InS	Natlnd pfB
FedNat Mtg	NIM 10.60pf
FEDERDStr	Norlnd PS
Fstlnt Bcsh	NorStaPw
Ford Mot	Nwst Airl
Freept Mc	NwtEnrg ct
GAFCp pf	NwslStlW
GATX Cp pf	Norton Co
Gen Cinema	Norton wi
Gen Elec	hio Edison
Gen Motors	OhE 3.90pf
GPU Cp	Pac Lumber
GaPw 2.52pf	Paine Webb
Goodyear	PanhEPL
Hall Frank	PayLess Dg
HarteHks N	

Market Summary

NYSE Most Actives

March 31, 1977
(4 p.m. closing prices)

	Sales	Close	Ch.
DeereCo	239,800	30⅝+	⅞
Ohio Edison	233,800	19⅛—	⅛
Gen Motok	197,900	65¾—	1¼
KaisnAlu wd	166,600	35	
Kaisr Alum	171,300	36¼—	1¼
Kresge SS	148,600	32½—	¼
AmTT	144,700	62¾+	¼
Sony Corp	137,000	10 +	⅛
East Kodak	126,900	66 +	¾
DigitalEq	126,800	41⅝+	⅛
Texaco Inc	118,500	26⅞	¼
Xerox Cp	114,100	47¾	
Weyerhsr	112,900	38⅝—	¼
Cert-teed	112,400	25⅝+	½

	Today NYSE Close	Prev. Nationw Close
Volume (in millions)	16.51	18.81
Advances	601	375
Declines	762	1051
Unchanged	479	459
Total issues	1842	1885
New 1977 highs	19	27
New 1977 lows	151	129

Dow Jones Averages

	Open	High	Low	Close	Chg
30 Ind	918.63	926.86	914.15	919.13—	2.08
20 Trn	223.07	224.58	221.56	222.97—	0.64
15 Util	105.76	106.50	105.32	106.02+	0.45
65 Stk	303.05	305.49	301.46	303.24—	0.38

Standard & Poor's

	High	Low	Close	N.C.
Industrials	110.18	108.67	109.35	—0.11
Utilities	52.22	51.56	51.97	+0.04
Finance	11.35	11.21	11.27	—0.05
Transportation	14.02	13.80	13.89	—0.09
Composite	99.14	97.80	98.42	—0.12

NYSE Index

	High	Low	Close	N.C.
Composite	53.68	53.51	53.53	—0.08
Industrials	58.34	58.13	58.13	—0.09
Transportation	40.15	40.03	40.03	—0.10
Utilities	39.96	39.88	39.93	U.C.
Finance	53.75	53.66	53.68	—0.20

Odd-Lot Trading in N.Y.

	Shares Buy	Sales	*Short
Mar. 30	137,561	547,397	2,075
Mar. 29	137,257	250,650	546
Mar. 28	150,284	267,955	2,414
Mar. 25	134,744	233,847	1,178
Mar. 24	139,519	271,673	1,391

*These totals are included in the sales figures

American Most Actives

	Sales	Close	Ch
Kewanee In	98,500	40⅝—	¼
Champ Ho	59,800	3	
Vernitron	55,000	8⅝+	⅛
Executvlnd	49,500	8½—	½
Nat Patent	44,800	0½—	⅛
Asamera O	44,100	11⅝—	⅛
HouOilM	43,300	46 +	¼
Banne Ind	38,300	6¼+	¼
Fed Resrcs	37,000	5⅝—	⅛
DynaCp Am	33,900	5⅛+	⅛

Approx final total 2,110,000
Stock sales year ago 2,689,300

American Stock Index:

High	Low	Close	Chg.
111.34	110.98	111.17	—0.07

Poland Rep Tourism Bo

WARSAW, March : Poland has recorded boom in the last six y lining the country's r the most travel-mind ern Europe, the I agency PAP said toda

The number of P East bloc countries l ed from 760,000 in million last year. of Eastern bloc Poland has risen fror in 1970 to 8.8 millio PAP said.

About 430,000 Poles the West and other year, a 32-per-cent i the 1975 figures and increase over the fig A total of 785,000 t the West visited F year, PAP said.

CITIBANK

Clients of CITIBANK, N.A. formerly FIRST NATIONAL CITY BANK, Beirut, Lebanon, are kindly requested to confirm their present addresses and telephone numbers to one of the following:

1. **CITIBANK, P.O. Box 11-3648, Beirut;**
2. **CITIBANK (Beirut), P.O. Box 1720, Athens, Greece (exclusively for clients residing outside Lebanon).**

Clients are kindly invited to make inquiries or obtain further information at any one of the following locations:

CITIBANK

ARAB BANK BUILDING - RIAD EL-SOLH STREET
BEIRUT - 240033

ZARD ZARD BUILDING - JOUNIEH ROAD
JAL EL-DIB - TEL.: 410439-413297

CHARTOUNI BUILDING - NACCACHE STREET
HAMRA - TEL.: 341400-341379

To the Holders of

General Cable International N.V.

Guaranteed Floating Rate Loan Notes 1980

In accordance with the provisions of the above Notes, Irving Trust Company, as Fiscal Agent, has determined the Rate of Interest payable with respect to Coupon No. 14 on Friday, September 30, 1977 to be Seven and One-half per cent (7½%) per annum.

April 1, 1977

Irving Trust Company, *Fiscal Agent*

Germany's bond market still offers good opportunities

You should not delay any longer in taking advantage of all that the German bond market has to offer. Of course, bonds and mortgage bonds must be carefully selected to achieve a satisfactory spread of investment and the mix adjusted to meet changing market conditions. This is the kind of management that Deutscher Investment-Trust offers you.

through INTERNATIONALER RENTENFONDS

Mutual Fund

INTERNATIONALER RENTENFONDS is one of nine Mutual Funds under the management of Deutscher Investment-Trust, Frankfurt a.M. It is widely invested in the DM-bond market, currently to the extent of approximately 70%. Being based on one of the world's strong currencies, it gives excellent performance prospects. The keynote of the investment policy is flexibility to meet fluctuations on the capital market and interest rates.

The Management

Deutscher Investment-Trust has 20 years' experience and over 4,000 million DM under management for more than 300,000 investors. Depositary Bank is Dresdner Bank AG, Frankfurt a.M., West Germany.

Performance

Between inception in February 1969 and January 1977 there has been 62.2% growth in the Fund, including all distributions. Foreign investors have fared even better because of the continuing strength of the DM—as follows:—

US $ investors	169.4%
£ Sterling investors	276.0%
FF investors	170.5%

Regular Income

INTERNATIONALER RENTENFONDS makes a yearly distribution, which in 1976 amounted to DM6.30 per Unit.

Charges

Loading: 3%. Management: 0.1% quarterly. Depositary Bank (additional to usual safe custody fee): 0.01% quarterly.

Complete this application form without delay.

Purchase of Units in West Germany

Units of the Fund may be purchased at any time. Redemption is also assured at any time by German Law. They are obtainable, in bearer form, from Deutscher Investment-Trust or from the depositary bank Dresdner Bank AG, as well as from Bank für Handel und Industrie AG, Bayerische Hypotheken-und Wechsel-Bank and Westfalenbank AG. The current offering price is approximately DM 75.

To: **Deutscher Investment-Trust, Postfach 2685, D-6000 Frankfurt a.M.1**

* Please delete whichever is inapplicable

* **Investment-Account.** I wish to open an INTERNATIONALER RENTENFONDS Investment account with regular reinvestment of *distributions. Please send me the necessary documents.*

* **Information** Please send me, without obligation, free literature on INTERNATIONALER RENTENFONDS and the investment account. IHT 1-4-77.

Name ________________ (Please use block letters) Forenames

Address ________________ Street

Code Number Town Country

Signature ________________ Date ________

Internationaler Rentenfonds

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منه الأصل

Amex Nationwide Trading (3 O'clock) March 31

(Continued from preceding page.)

1977 High	1977 Low	Stocks and Div in $	P/E	Sls. 100s	High	Low	3 p.m. Quot.	Ch'ge Prev. Close
6⅞	6	Clarmnt		3	6¼	6¼	6¼	
13⅝	9⅝	Clarkson .20	8	6	12½	12⅜	12½	— ¼
14¾	11¼	Clausing 1	8	7	13⅞	13⅝	13⅝	— ¼
7¾	6⅞	Clopay .16	6	18	8	7¾	8	+ ¼
9⅞	13	Coachm .25	5	198	13½	13	13	— ⅛
3¾	2⅜	Cohulnc .12t	15	11	2⅝	2½	2⅝	
8¼	6⅛	ColwellC .40	5	18	6⅞	6¾	6¾	— ⅛
37	34	Cominco 2	18	1	35½	35⅛	35½	— ½
2¼	1⅝	ComGrp .14		10	2	2	2	
12½	9¼	ComAll .30a	8	53	11⅞	11¾	11⅞	— ¼
6⅛	4½	Comdlnt		4	5	5	5	
11½	9⅝	CoPsyc .30	7	18	10⅞	10¾	10⅞	— ¼
9⅞	4⅝	Compac	7	66	10¼	10	10¼	+ ⅜
2⅞	.5	Compoln .32	19	13	11¼	10⅞	11¼	+ ½
2⅞	1½	CompuD	6	32	2⅝	2½	2⅝	— ⅛
2⅞	1⅛	Compinv		5	1⅝	1⅝	1⅝	
0⅞	9⅝	Conchm .50	5	11	9⅝	9⅝	9⅝	
6⅞	4	ConcrdF	5	3	4⅝	4⅝	4⅝	+ ¼
4⅛	3⅝	ConnllyC	11	1	3⅝	3⅝	3⅝	+ ⅛
[illegible]	9⅞	ConsOG	16	38	10⅞	11	11	
1⅞	⅞	ConMtl	118	56	1⅝	1½	1⅝	— ⅛
1⅞	1¼	ConfTel wt		5	1¾	1¾	1¾	—
7⅞	¾	Cookind .20e	13	53	14	13⅝	13⅝	— ⅜
4⅛	3	Cordon	13	3	3½	3½	3½	
9	15½	CoreLb .20e	8	20	15⅞	15⅝	14	
2½	11¾	Corenco .80	8	1	15⅞	15⅞	15⅞	+ ⅛
2⅛	10¼	Cornelius .48	9	1	10⅝	10½	10½	
2⅛	2⅛	Coscolnc			2¼	2¼	2¼	— ⅛
5-16	⅛	Cousins wt		10	3-16	3-16	3-16	
2⅛	16½	CoxCC	21	19	22	21⅝	21¾	— ¼
5⅛	3⅞	CramE .13t	68	1	4⅜	4⅜	4⅜	
[illegible]	35¼	CrosAT 1.28	11	4	36⅝	36⅜	36⅜	— ⅛
[illegible]	27½	CwnCPt .60r	4	4	27	27	27	— ¼
6¼	4⅞	CrownCr	5	21	5⅞	5⅝	5⅞	+ ⅛
5⅞	11¾	CrutcR .36	36	34	12	12	12	+ ⅛
5⅛	12¾	CrystlO .40e	14	43	14⅛	14⅛	14⅛	+ ⅛
1⅞	10⅞	Cubic n .40	6	12	11⅝	11	11	
7⅝	4¾	CurtisM .15a	4	12	5	4⅞	4⅞	— ⅛

D

1977 High	1977 Low	Stocks and Div in $	P/E	Sls. 100s	High	Low	3 p.m. Quot.	Ch'ge Prev. Close
2	13-16	DCL	19	28	1⅝	1⅝	1⅝	+ ⅛
6½	3⅞	DWG .40t	4	28	4⅞	4⅝	4⅝	— ⅛
3½	2⅜	amonC	4	1	2⅝	2⅝	2⅝	
9½	7¼	Damson	21	27	7⅞	7	7	— ⅜
28	6⅞	Daniel .88b	8	6	22⅝	22	22	— ⅝
13⅝	10⅞	Datapd	7	134	10⅞	10½	10⅝	
11⅞	7⅜	DevMin .20e	19	34	10⅞	10¾	10⅞	+ ⅜
7⅝	6½	DellwdF .54	11	6	6⅝	6⅝	6⅝	— ⅛
	8½	DenTalE	9	4	9½	9¼	9½	+ ⅛
2⅞	1¼	DesgnJw		42	2	1⅞	2	+ ⅛
4⅞	3½	Digicon		8	3⅝	3½	3½	
5⅞	13½	DillardSt .40	5	2	13½	13½	13½	
3⅝	13½	Diversey .56	9	25	17⅝	17	17	— ¼
4⅞	37¼	DomePt	8	57	39⅞	38½	38⅞	— 1
[illegible]	13½	Domtar .80	22	6	15⅛	15	15⅛	
3¼	6⅞	Donkeny .28	4	4	7⅛	7⅛	7⅛	— ⅛
3¾	16⅛	DrexUtl 1.32		2	17⅛	16⅞	17⅛	
[illegible]	1⅝	Dunlop .06e	5	7	1 13-16	1¾	1¾	
[illegible]	6⅞	DurTst .30b	8	16	6⅞	6¾	6⅞	
5⅞	5	DynAm	6	24	5½	5¼	5½	+ ⅛

E

1977 High	1977 Low	Stocks and Div in $	P/E	Sls. 100s	High	Low	3 p.m. Quot.	Ch'ge Prev. Close
[illegible]	⅞	EAC In	6	3	3¼	3⅛	3¼	
[illegible]	16½	EDG Inc 25c		2	16½	16½	16½	
[illegible]	17	EarthRes 1	10	32	17½	17⅜	17⅜	
[illegible]	41⅝	EasonO .20b	17	35	50½	50½	52	+ 1½
[illegible]	23¼	EstrnC 1.60	9	3	29	29	29	
[illegible]	10¼	Ecodyn .10e	12	6	17⅝	17⅛	17⅝	
[illegible]	2	Edmos		22	2⅝	2⅝	2⅝	+ ⅛
1½	9¾	EDO .10e	7	1	11⅝	11⅝	11⅝	
6⅛	13⅛	El ectros 1	7	5	14⅜	14¼	14⅜	
[illegible]	17½	ElecAm 1.20	8	x5	19¼	19⅛	19¼	+ ⅜
[illegible]	4⅞	EnsyRs	9	4	6	6	6	
[illegible]	10	ErnstEC .64	5	18	11⅛	11	11	— ⅛
[illegible]	8¼	EsqRad .39e	4	3	8¼	8⅛	8¼	
[illegible]	7⅛	EssexCh .40	7	77	10⅛	9⅞	10	— ¼
[illegible]	11	EvanAr .20r	10	2	13½	13⅜	13⅜	+ ⅛
[illegible]	8¼	Execlnd	3	406	8⅞	8⅝	8⅝	— ½
[illegible]	4⅛	Executn .27t						
[illegible]	4⅛	Executn .27t	12	2	4⅝	4⅝	4⅝	

F

1977 High	1977 Low	Stocks and Div in $	P/E	Sls. 100s	High	Low	3 p.m. Quot.	Ch'ge Prev. Close
5⅝	4⅝	Fablnd .25e	4	8	5⅛	5½	5½	
3⅛	2⅝	Falen .05t	19	1	2⅞	2⅞	2⅞	— ⅛
2	1⅛	FairTex		9	1⅝	1⅝	1⅝	
[illegible]	34⅞	FalconS 1	10	123	44	42½	43¼	— ⅝
[illegible]	5⅝	FamDol .20	4	3	6	6	6	— ⅛
[illegible]	9⅝	FannyF .50a	6	8	10½	10½	10½	
[illegible]	1	ashFab		23	1⅛	1	1	— ⅛
[illegible]	8⅝	FayDo.n	10	14	9¼	8⅞	9¼	+ ½
[illegible]	13½	FedRlty 1.24	13	10	14⅜	14⅛	14⅛	
[illegible]	4⅝	FedRes		344	6⅛	5⅞	6	
[illegible]	16½	Felmnt .20e	17	10	17⅝	17½	17¼	— ½
2⅞	1½	FilmCpA		13	1⅝	1½	1⅝	+ ⅛
[illegible]	7¼	Filmwy .05r	9	38	10⅛	9⅞	10⅛	+ ⅛
[illegible]	8¼	FinGen .40	6	118	11	10	11	+ ⅝
[illegible]	8⅞	FinGnA .40		41	10⅞	10¾	10⅞	+ ⅛
[illegible]	3¼	FstHrt pf .50		12	4	4	4	
[illegible]	9⅞	FstSLSh	15	3	10⅝	10⅝	10⅝	
[illegible]	13⅛	FischrP .48t	6	9	14⅛	14⅛	14⅛	— ¼
[illegible]	16	FitchbG 1.44	8	1	16⅛	16⅛	16⅛	
[illegible]	1⅛	Flags	19	11	1¼	1¼	1¼	
[illegible]	3⅝	Flagstaff .12	6	5	4	3⅞	4	— ⅛
[illegible]	11⅞	FlightSf .09e	9	16	11⅝	11⅝	11⅝	— ⅛
[illegible]	4⅛	FlaCap	5	2	4⅝	4½	4½	
[illegible]	3⅝	FlaRk	15	2	4	4	4	
[illegible]	3⅞	FlowGen	8	123	5⅞	5⅝	5⅝	— ⅝
[illegible]	15	FlukeJ .73t	10	34	15⅛	15½	15⅛	— ⅛
[illegible]	20¼	FlyDiaO	7	16	22¼	21½	21½	— ½
[illegible]	9½	Foodws .20a	6	21	12½	12½	12½	— ⅛
[illegible]	7⅛	ForestC .05e	8	3	7⅝	7⅝	7⅝	
[illegible]	2⅝	Foreslab	7	7	3⅛	3⅛	3⅛	
[illegible]	7½	FoxStaP .50	9	5	7⅞	7⅞	7⅞	
[illegible]	16½	Fresnillo .40	50	11	20½	20½	20½	— ⅛
[illegible]	4⅛	Friedm .28b	6	1	5¼	5⅛	5⅛	
9¼	7¼	Frigtmp .55t	6	758¼	8		8⅛	
6⅞	6⅛	Frischs .20b	9	13	7⅝	7½	7⅛	— ⅛
7⅛	6	FrontAir .19t	4	10	6	6	6	

G

1977 High	1977 Low	Stocks and Div in $	P/E	Sls. 100s	High	Low	3 p.m. Quot.	Ch'ge Prev. Close
9⅞	2½	GRICp		6	2½	2½	2½	
13⅝	12	gabriel .40	6	1	12⅝	12⅜	12⅜	— ⅛
5¼	4⅛	Galaxy	6	2	4⅞	4¾	4¾	— ⅛
1⅝	9	Garan .60	5	33	10⅜	10	10	— ⅛
3	2	Garcia		51	2⅝	2½	2⅝	
4⅞	3¼	Garland	4	6	3⅝	3	3⅝	
5⅛	3⅝	Gaylord .15a	3	15	4⅝	3⅞	4⅝	+ ⅜
1⅝	11-16	Gaynor		2	1¼	1¼	1¼	
14⅞	5⅞	GenExp	24	149	13⅝	12⅞	13¼	+ ⅜
2⅛	1⅛	GnHous	3	9	2¼	2⅛	2¼	
1½	13-16	GnRecre		10	⅞	⅞	⅞	+1-16
3⅛	2	Genge	6	1	2⅛	2⅛	2⅛	
2¼	1⅝	Geon Ind		22	1⅝	1⅝	1⅝	+ ⅛
9	6⅝	Gerber	7	4	7⅝	7⅝	7⅝	+ ⅛
18¼	16⅛	GiantFd 1a	5	9	16⅝	16⅝	16⅝	
8⅝	6⅛	GiantYel		2	7⅝	7⅝	7⅝	— ⅛
5⅛	3⅝	Glasrock		28	5⅛	5	5	
38	33⅛	Glatfltr 1.80	6	11	37⅞	37	37⅞	+ 1⅛
17	11⅛	GlnDls .44t	7	10	15⅛	15⅛	15⅛	
19⅞	15⅛	Globeln .70	6	7	19	19	19	
12⅜	9⅝	Glosser .32	15	3	9⅞	9⅝	9⅞	+ ⅛
3⅜	3	Glover .10e		3	3	3	3	— ⅛
4⅛	3⅜	Gldblatt .28	10	1	3⅝	3⅝	3⅝	— ⅛
13⅝	10	GoldnCyc	40	5	12	12	12	+ ⅛
13	9⅝	GoldnW .45	7	50	12¼	12⅛	12¼	
1⅞	⅞	Goldfield		89	1¼	1⅛	1¼	
8⅛	6⅝	Goodrich wt		7	7⅛	7⅛	7⅛	—
23⅝	19½	GormR .90a	8	2	20	19⅞	19⅞	— ¼
5⅞	3⅛	GoudT .24e	29	5	5	5	5	
8½	6	GrandAu .30	5	2	6⅛	6⅛	6⅛	+ ⅛
8⅛	7⅛	GrndCH .30	6	4	7¼	7⅛	7¼	
6⅞	5⅝	GtAmInd		4	6	5⅞	5⅞	— ⅛
7⅞	5¼	GtBasinP	35	157	6⅛	6	6⅛	+ ⅛
37⅞	31⅛	GtLkCh .28	14	12	36⅝	36⅜	36⅝	+ ⅛
4⅛	3⅛	Greenmn	4	5	3⅛	3⅛	3⅛	
7⅞	6	GREIT .40	10	7	6⅞	6⅞	6⅞	
15⅞	13⅝	GrossTlc 1	8	7	15⅝	15	15	— ⅛
10⅝	8⅛	GuardC .50	8	8	9¾	9⅝	9⅝	— ⅛
5⅜	4⅝	Gulford .20	4	2	4⅝	4⅝	4⅝	
27½	24⅛	GHOCan 1.08	8	10	27⅝	27⅛	27⅝	+ ⅝
10½	9⅝	GifRepFn	4	3	9⅝	9⅝	9⅝	— ⅛

H

1977 High	1977 Low	Stocks and Div in $	P/E	Sls. 100s	High	Low	3 p.m. Quot.	Ch'ge Prev. Close
14⅛	12½	HallsMot .72	5	16	13½	13⅛	13½	
7	3⅞	Hamp .15e	13	6	7	6⅞	7	+ ⅛
6⅛	4⅝	Hampin	3	3	5⅛	5⅛	5⅛	— ⅛
13⅝	1⅝	Hamird .72	5	1	12⅝	12⅝	12⅝	— ⅛
5⅛	4	HanSqRt		5	4⅝	4½	4½	— ⅛
21	18⅛	Harland .60	10	2	19	19	19	
5⅝	4	HartfdZ		1	4⅝	4⅝	4⅝	
13⅞	11⅛	HartzM .30	10	6	11⅞	11⅝	11⅞	
1⅛	11-16	Harve	5	7	¾	11-16	¾	
93	7⅛	Hasbro .20	4	1	8⅛	8⅛	8⅛	
11½	9⅛	Hasting .40a	7	2	9½	9⅛	9½	+ ¼
9½	6¼	HealthCh	11	1	7⅞	7⅞	7⅞	+ ⅛
7⅛	6⅛	HealthM .30	5	11	7⅛	7⅛	7⅛	— ⅛
5⅝	4⅝	Highland		1	5⅝	5⅛	5⅛	—
7⅛	5⅝	Hiptrnic .20	15	1	6	6	6	+ ⅛
3⅝	2⅛	Hofman	5	2	2⅝	2⅝	2⅝	— ⅛
7	4⅝	HollyCp	8	79	5⅛	5	5	— ⅛
28⅛	23	Hormel 1.12	6	4	24⅝	24⅝	24⅝	+ ¼
7¼	4⅛	HornHer		11	5	4⅞	5	+ ⅛
8¼	6⅛	HoqM .60a	28	19	8⅝	8⅝	8⅝	— ⅛
5⅛	4½	HoosRon .30	5	5	4⅝	4½	4½	— ⅛
5⅜	4⅛	HouseVl .32	13	3	4⅝	4⅝	4	
9⅞	7⅛	HosMinn	20	5	7⅝	7⅛	7½	
60⅞	42⅝	HouORM .80	22	295	46½	45⅝	46¼	+ ⅛
9⅛	4⅛	HowelC .40	9	20	15	15	15	+ ⅛
5	3⅛	Howell .15e	3	1	4	4	4	
36⅞	33½	HubellB 1.50	10	21	36⅝	36⅛	36⅝	
53	50¼	Hub pfA 1.75		11	53⅞	53	53⅞	+ ⅜
37¼	31⅞	HudBO 1.32	8	7	32½	32¼	32¼	— ⅛
13⅛	11⅛	Huffman .50	4	8	12⅝	12⅛	12⅛	— ⅛
4	3⅛	HuntHlt .155e	5	15	3⅛	3⅛	3⅛	+ ⅛
25⅝	18⅞	HuskyO .80	8	72	22⅞	22⅝	22⅞	+ ¼
4⅛	3⅛	HyceRnc	16	18	3	3⅛	3⅛	— ⅛

I

1977 High	1977 Low	Stocks and Div in $	P/E	Sls. 100s	High	Low	3 p.m. Quot.	Ch'ge Prev. Close
4⅛	3½	ICHCp .32t	5	1	4	4	4	
7⅝	6⅛	IMCMg .20	6	7	6½	6⅛	6⅛	— ⅛
3¼	2	ISCFinl	100	8	2	2	2	— ¼
1	11-16	TTI Cp		6	11-16	11-16	11-16	
23¼	20½	ImoilA .86	10	26	21	20⅝	21	+ ¼
14⅝	12⅛	Incotrm	12	4	13⅛	13⅛	13⅛	— ⅛
1½	1⅛	InflightSv		2	1¼	1¼	1¼	— ⅛
2⅛	1⅛	Inolex		2	1⅝	1⅝	1⅝	+ ⅛
1⅞	11-16	InstrSys		115	⅞	13-16	⅞	+1-16
13¼	7⅛	InsSy pf .25e		16	8	7⅝	7⅝	— ⅛
2	1⅜	InteRes	4	2	1⅝	1⅝	1⅝	
14½	10⅛	IntlAlum .50	7	15	13½	13¼	13¼	— ⅛
4⅛	2½	IntBnknt	15	70	3⅛	3¼	3¼	— ⅛
13⅞	11⅛	IntCour .28	9	2	12⅝	15	12⅝	+ ⅛
[illegible]	1¼	IntFdSvc		13	1½	1⅛	1½	
3⅛	2¼	IntFunrl .05e	6	14	2⅝	2⅜	2⅝	
7½	4⅛	IntProtn	6	91	6⅞	6⅝	6⅞	+ ⅛
9½	½	IntSeaw .60	3	38	8½	8⅛	8½	
2	1½	IntStrch		14	1½	1½	1½	— ⅛
1½	½	Interphot		1	⅞	⅞	⅞	
19½	17½	InvDyA .20a	5	3	17⅞	17⅞	17⅞	— ⅛
4⅞	4⅛	InvDvB .05e	5	1	4⅝	4⅝	4⅝	— ⅛
7⅛	4⅛	InvRlTr		3	6⅛	6⅛	6⅛	+ ⅛
27⅛	14⅛	Ionics	15	1	20	20	20	
8⅛	6⅛	IroqBrd .20	6	2	7⅛	7¼	7¼	— ⅛
16	14⅛	IroqBrnd pf		10	15⅛	15⅛	15⅛	+ ⅛
6⅞	5⅛	Irvinin .16t	4	1	5⅛	5⅛	5⅛	— ⅛

J-K

1977 High	1977 Low	Stocks and Div in $	P/E	Sls. 100s	High	Low	3 p.m. Quot.	Ch'ge Prev. Close
11⅛	8⅞	Jamswy .05r	4	17	10⅝	10⅛	10⅝	+ ⅛
12⅝	10⅛	Jeannet .40	6	2	11	11	11	
3⅛	2⅜	Jetonic	5	2	3⅛	3	3⅛	+ ⅛
8⅝	7	JohnPd .36	14	12	6⅞	6⅝	6⅞	— ⅛
4	3	JuniperP	12	33	3⅛	3½	3½	
7	4⅞	Jupiter	4	2	5⅛	5⅛	5⅛	— ⅛
5⅞	5	KTelln .45e	4	3	5⅛	5⅛	5⅛	— ⅛
14	14⅛	Kaisrlnd .26	9	184	18	17⅛	17⅛	— ⅛
5	3⅛	KaneMill wt		3	3⅛	3½	3½	
[illegible]	[illegible]	Kenwin .34a	5	2	8⅝	8⅝	8⅝	
43⅛	38½	Kewanee .72	11	430	40⅛	39⅞	39⅞	— ⅛
9⅝	6⅝	Keystind .30	4	2	7⅛	7⅛	7⅛	+ ⅛
2½	1⅛	Kidde wt		8	1½	1⅝	1⅝	— ⅛
1⅞	1½	KinArk	7	28	1⅝	1½	1⅝	
8⅝	7	KingRd .20e	7	1	8¼	8¼	8¼	+ ⅛
¼ .73⅝2	8¼	KirbyEx	10	25	26⅝	25⅛2	6⅝	+
6⅝	3⅝	Kit Mfg	9	5	5⅝	5½	5½	— ⅛
17⅝	13½	KnickToy	8	105	14⅛	14½	14⅞	
18	15⅛	Kollmr .36	10	16	17⅝	17	17¼	+ ⅛
7⅝	6⅛	KuhnSir .10	4	13	7	7	7	

L

1977 High	1977 Low	Stocks and Div in $	P/E	Sls. 100s	High	Low	3 p.m. Quot.	Ch'ge Prev. Close
3⅝	2⅛	LSBInd .10r	5	4	3⅝	3⅝	3⅝	+ ⅛
3⅛	2⅛	LaBarge .06	13	1	2⅝	2⅝	2⅝	
4⅞	3⅝	LaMaur .20	8	6	4⅝	4⅝	4⅝	
9¼	7¼	LafyRad .26	7	34	7⅝	7⅝	7⅝	
2⅝	2	LakeShor	3	26	2⅝	2¼	2¼	— ⅛
4⅞	3⅝	Laneco .18	5	4	4⅝	4⅝	4⅝	— ⅛
2½	2	LaTourB	9	5	2⅝	2⅝	2⅝	
11⅞	9⅛	LeathCo .50	7	15	11⅛	10½	11⅛	+ ⅜
28¼	23⅛	LeeEntr .60	12	4	23½	23½	23½	— ¼
2⅛	⅝	Lee Natl		5	1⅝	1⅝	1⅝	
4⅞	3⅛	LeePha r	6	5	4	4	4	— ⅛
14⅛	11⅞	LeighPd .60	6	1	12⅛	12⅛	12⅛	— ⅛
2⅝	1⅝	LeisureT		14	2⅛	2⅛	2⅛	+ ⅛
7⅛	5⅛	LewisBP .30	8	2	7⅛	7⅛	7⅛	— ⅛
9⅝	6⅛	LibtyFab	4	2	7⅛	7¼	7¼	— ¼
4	3⅛	LinclnAm	16	5	3⅝	3⅝	3⅝	
2⅞	2¼	LodgeS .12e	5	6	2⅝	2⅝	2⅝	— ¼
[illegible]	[illegible]	Lohmn .80a	6	2	17⅛	17⅛	17⅛	— ¼
[illegible]	[illegible]	LoewThe wt		26	8¼	8	8¼	+ ¼
15⅞	7¼	Logicon	10	7	14⅛	14⅛	14⅛	
3⅛	2⅝	Logistic .06e	6	2	3⅛	3⅛	3⅛	
23⅛	18⅛	LaGenSv .82	6	2	21	21	21	
4	2⅞	LynchCp	3	1	2⅞	2⅞	2⅞	
1½	1⅛	Lynnwear		15	1¼	1¼	1¼	

M

1977 High	1977 Low	Stocks and Div in $	P/E	Sls. 100s	High	Low	3 p.m. Quot.	Ch'ge Prev. Close
7⅝	7⅛	MWA .40	12	5	7½	7½	7½	
5¼	4⅛	Mamoth .30	7	5	4½	4½	4½	+ ⅛
6⅛	4⅛	MansfT .02r	6	16	5⅛	5⅛	5⅛	+ ¼
1⅛	13-16	Marindq		13	1 1-16	1	1 1-16	
18⅝	15⅝	MarkCtl .28	5	37	15⅝	15⅝	15⅝	— ⅜
7⅝	6⅛	Marlene	3	2	7¼	7¼	7¼	+ ¼
5⅝	4⅛	MarshFd		2	4⅛	4⅝	4⅝	
7⅝	4⅝	Marshln .40	4	5	7	6⅞	7	
23	18⅛	MartPr .40	7	3	21⅞	21⅛	21⅞	
10	8⅝	Masind .40a	5	6	9⅛	9⅛	9⅛	+ ⅛
38¼	36⅛	Masneln .30	6	4	36⅞	36½	36⅞	+ ⅜
5⅛	4⅛	MaulBr .14b	6	3	4⅝	4⅝	4⅝	+ ⅛
4¼	2⅝	McCulO	21	136	3	2⅞	3	+ ⅛
[illegible]	16	Mclntsh .84	7	4	17⅛	17⅛	17⅛	— ⅛
4½	3⅛	McKeon		5	3⅛	⅝	3⅛	— ⅛
9½	7⅛	Medalst .44	7	3	9	8⅝	8⅝	— ⅛
2⅛	1½	MedalnGp		1	1⅛	1⅛	1⅛	
2⅛	1⅛	MedcoJw	10	11	1⅝	1½	1½	— ⅛
9⅝	8⅛	Medenco .20	6	4	8⅝	8½	8½	— ⅛
20	16	MdlaGn .40	7	5	16⅛	16¼	16⅛	— ¼
85¼	10⅛	Megolnt .20	4	25	10½	10⅛	10⅝	
19⅞	16¼	MEMCo 1	6	2	19	19	19	
3	1⅝	Mercnlle		10	1⅝	1⅝	1⅝	— ⅛
12⅛	8⅛	Metex .30	4	4	9⅝	9⅝	9⅝	— ⅛
18⅛	16⅛	Metpth	16	5	17⅛	17	17	— ⅛
1⅝	15-16	Metrocar		2	1⅛	1⅛	1⅛	
2⅝	1	MetroGrt		33	2⅛	2⅛	2⅛	
4⅞	3⅛	MichGen	4	40	3⅝	3½	3⅝	
62⅞	40⅛	MichSug	7	17	61⅛	60⅛	60⅛	— ½
5⅝	4⅝	MidldCo .10	8	11	5	4⅞	4⅞	— ⅛
12⅝	10⅛	MidlGls .28	5	1	10½	10½	10½	— ⅛
265	[illegible]	MillerWo .60	9	26	25	24⅞	24⅞	
16⅝	13⅝	MilRoy .25	7	6	13⅝	13⅝	13⅝	— ⅛
43	38⅛	MoPfcR 1.46	8	4	41⅛	41	41	— ⅛
49½	37⅛	MitchlE .12	30	85	38⅛	37⅞	38⅛	+ ⅜
10⅝	7⅝	MiteCp .20	6	6	7⅝	7⅝	7⅝	
33⅛	21⅛	Molycrp wt		60	30½	30	30	— ¼
5⅞	4⅞	MonMgt .40	5	2	5⅛	5⅛	5⅛	
62	50	MONP pf4.40		z20	51⅛	51⅛	51⅛	
12⅝	10⅛	Moog .60	7	5	10⅞	10⅝	10⅞	+ ⅛
6	5⅛	MtgGth .48e	33	2	5½	5½	5½	+ ⅛
17⅝	14⅛	MtVMil 1.20	23	1	14⅛	14⅛	14⅛	
11⅛	7⅛	MovStar .44	6	3	10	10	10	
2	1⅛	Movielab	6	2	1½	1½	1½	— ⅛
5	4⅛	MultlAm .20	8	7	4⅛	4	4⅛	— ⅛

N

1977 High	1977 Low	Stocks and Div in $	P/E	Sls. 100s	High	Low	3 p.m. Quot.	Ch'ge Prev. Close
8⅛	7⅛	Napco .10e	7	5	7¾	7⅝	7¾	
3	3	NardaM .20	44	4	3½	3½	3½	— ⅛
24⅝	19⅝	Nat CSS .20	7	11	19⅝	19¼	19⅝	— ⅛
1⅝	1⅛	NatHlthE	7	1	1½	1½	1½	
⅝	⅜	Natlnd wt		1	⅝	⅝	⅝	
2⅞	2⅛	NKinney		42	2⅝	2½	2½	— ⅛
12½	7⅛	NtPar					8	
12½	8⅛	NtPatent	25	214	10⅝	10½	10⅝	
4⅝	2⅝	NtSpinng		138	5	4⅛	4	⅛
5½	3⅝	NatSyst .30e	7	4	4⅝	4⅝	4⅝	
13⅛	10	NatwHo .36	6	10	10⅝	10½	10½	— ⅛
4⅝	3¼	Nelsner		2	4	4	4	
1⅝	1½	NeilyDon		3	1⅝	1⅝	1⅝	— ⅛
1⅞	1½	NestLM		1	1⅛	1⅛	1⅛	— ⅛
17⅛	12⅛	NHamp .40a	11	5	15⅛	15⅛	15⅛	— ⅜
35½	24⅞	NMexAr	96	1	31⅛	31⅛	31⅛	— ⅛
10⅛	9⅛	NProc .63e	9	3	9⅝	9½	9½	
17⅞	13½	NYTimes .60	8	204	16½	16	16½	+ ⅛
16⅝	9	NewbEn .20b	5	31	16	15⅝	16	+ ⅛
7½	4⅞	Newprk	6	20	5⅛	5½	5⅝	
1⅞	1½	Nexus .14t	6	1	1⅝	1⅝	1⅝	+ ⅛
15⅛	13⅛	NiagFSv .56	4	1	13⅝	13⅝	13⅝	
4⅛	4	Nichols .27t	4	2	4⅛	4⅛	4⅛	
3⅛	2⅛	Noellnd	5	2	2⅝	2⅝	2⅝	
6⅝	4	Nolex	36	28	4⅛	4	4	— ⅛
16⅝	13	NorAmR .80	8	23	13⅛	12⅝	12⅝	— ⅛
84	7⅛	NorCdnO	6	51	7⅝	7⅝	7⅝	+ ⅛
3⅛	2⅞	NovoCp		2	2⅝	2⅝	2⅝	
11½	4	NuclDta	18	35	1	10⅛	11	+ ¼
13⅝	10	NumacO		14				1

O

1977 High	1977 Low	Stocks and Div in $	P/E	Sls. 100s	High	Low	3 p.m. Quot.	Ch'ge Prev. Close
45⅛	37¼	OhioB 2	4	7	39⅜	37⅞	38⅛	— ½
8⅛	7⅛	OhSealy .48	7	2	8⅛	8⅛	8⅛	
39	33	OOklep	13	z150	36⅝	35⅞	36¼	— ½
2⅞	1⅝	Ormand	24	7	2⅝	2¼	2⅝	+ ⅛
8½	6⅝	OutdrSp .10e	5	2	7⅛	7⅛	7⅛	+ ⅛
12	10⅛	OverhDr .50	7	14	11⅛	11½	11⅛	+ ⅜
2⅛	1⅛	OxfordFt		3	2	2	2	+ ⅛

P-Q

1977 High	1977 Low	Stocks and Div in $	P/E	Sls. 100s	High	Low	3 p.m. Quot.	Ch'ge Prev. Close
2	1⅝	PF Ind		4	1⅝	1⅝	1⅝	
18⅞	16⅝	PGEpfA 1.50		6	17⅝	17⅝	17⅝	+ ⅛
15	½	PGEpfC 1.25		4	14⅝	14½	14⅝	+ ⅛
15⅞	14⅛	PGEpfD 1.25		11	15¼	14⅞	15¼	+ ½
29¼	27⅛	PGEpfT 2.54		1	29	29	29	
31	28⅛	PGEpfS 2.62		6	30⅛	29⅝	29⅝	
29	26⅛	PGEpfR 2.37		10	28⅛	27⅝	28⅛	+ ⅛
25⅝	23⅝	PGEpfP 2.05		1	24⅝	24⅝	24⅝	
25	23	PGEpfO 2		2	23½	23½	23½	— ⅛
24¼	22	PGEpfM 1.95		5	22⅝	22⅝	22⅝	
25¼	23	PGEpfK 2.04		13	24½	24¼	24½	+ ⅛
27⅞	25⅛	GEpfJ 2.32		7	26⅝	26⅛	26⅝	— ⅛
15⅝	11⅛	PHoldg .16	6	1	15	15	15	— ⅛
53	50¼	PacLt pf4.50		z100	51⅜	51⅜	51⅜	— ⅜
63½	57	PacPLpf 5		z25	57	57	57	— 1
35	29½	PallCorp .40	13	64	32⅞	32	32¼	— ½
6	4⅝	Fantast .30	6	1	5½	5½	5½	— ⅛
5⅝	4½	ParaPk .20	8	3	4⅝	4⅝	4⅝	
24½	21⅝	Parsons .80	5	7	22½	22⅛	22⅛	— ⅛
3¼	2⅝	PatFash	5	4	2⅝	2⅝	2⅝	
5⅝	4	Patagon	8	5	4⅝	4⅝	4⅝	
9⅝	6½	PatoC 1.e	4	36	8	7⅞	8	+ ⅛
10¼	6½	Pemcor .20	5	10	9⅝	9⅝	9⅝	
1⅞	1⅛	PennDix wt		4	1⅝	1½	1⅝	+ ⅛
10⅞	9⅛	PenEM .60a	6	1	10⅛	10⅛	10⅛	+ ⅛
5⅛	3⅛	PECp .40t	5	81	3⅛	3⅛	3⅛	
5⅛	4	PenobS .20	6	3	4⅛	4	4	— ⅛
1⅞	1	Pentron	8	18	1⅛	1	1⅛	
8⅞	6⅝	pertec	8	11	7	7	7	
18⅞	14⅝	PetroLe	12	21	17⅞	17	17⅞	+ ⅛
7⅝	6⅛	PhilLD .63e	3	5	7⅛	7⅝	7⅝	+ ⅛
3⅛	2⅛	Phoenix		14	2⅝	2⅛	2⅛	
10½	8⅛	PicNPay .20	6	5	8⅝	8⅝	8⅝	— ⅛
2⅛	1⅛	PioneerS		5	1⅛	1⅛	1⅛	+ ⅛
10⅞	7½	PionTex .80	6	21	8⅛	8⅛	8¼	
6⅝	6⅛	PllWVa .56a	10	8	6⅝	6⅝	6⅝	
32	23	PitDM 1.20a	5	1	26	26	26	
40½	35⅛	Pittway 1.20	10	1	37⅛	37⅛	37⅛	
8⅝	6	Plantlnd		5	6⅛	6⅛	6⅛	— ⅛
13	11	Plantrn .03	8	50	11⅛	11	11¼	+ ¼
5⅝	4⅛	PlyGem .51t	6	1	5	5	5	
14½	10⅞	PneuSca .80	8	z200	13½	13	13	— 1
3⅛	2⅝	Pgoron		25	3⅛	2⅝	3⅛	— ⅛
7⅝	6⅝	Polychr	8	6	7⅛	7	7	
6⅛	5⅛	PrattRd .30	6	2	5⅝	5⅝	5⅝	
24½	21⅛	renHa 1.12	11	2	22	22	22	— ⅛
12⅝	9⅛	Presley	11	5	11½	11⅛	11½	+ ⅛
14½	14⅛	Preston .70	9	1	13⅛	13⅛	13⅛	— ⅛
2⅝	2⅛	PrimMt .12t	9	5	2⅛	2⅛	2⅛	
4⅝	3⅛	PrudBdg .24	5	1	4	4	4	— ⅛
5⅛	3⅛	PrudGp	5	5	5	5	5	— ⅛
53	48½	PSCol pf4.25		z125	49⅛	49⅛	49⅛	— 1⅛
7⅛	6⅛	PulleH	6	11	6⅞	6⅞	6⅞	
5⅛	2⅛	PuntaG	13	2	2⅝	2⅝	2⅝	— ⅛
6⅛	4⅝	Purepac .06e	11	5	6	5⅞	5⅞	— ⅛

R

1977 High	1977 Low	Stocks and Div in $	P/E	Sls. 100s	High	Low	3 p.m. Quot.	Ch'ge Prev. Close
7⅝	6⅛	RB Ind .06e	5	30	6⅞	6⅞	6⅞	+ ⅛
2⅛	1⅜	RET		19	1⅝	1⅝	1⅝	— ⅛
5¼	4⅛	RHMed	5	1	4⅝	4⅝	4⅝	+ ⅛
2	1⅛	RSC IND			1⅝	1⅝	1⅝	
13	10⅛	RLC Cp .12a	5	11	12	11⅞	12	+ ⅛
9⅝	6⅝	RaganB .15e	17		7⅝	7⅝	7⅝	— ⅛
24	17⅝	RangrO	56	16	20⅛	20⅛	20⅛	— ¼
1⅝	11⅛	Ransbrg .80	6	3	12⅛	12⅛	12⅛	
1¼	¾	RapdAm wt		20	1¼	1⅛	1⅛	— ⅛
6¼	4	RathP		4	5	4⅝	5	
32⅝	21¼	RaymPr .57e	1	10	32⅝	32½	32⅝	+ ⅛
3	1	Reading		12	2⅝	2⅝	2⅝	— ⅛
16⅞	14⅝	RealEsl 1.20	14	17	14⅝	14⅝	14⅝	
21	18⅝	RltRef 2.15e	10	5	20⅝	20⅝	20⅝	
3	1⅛	ReevesT	16	1	2⅛	1⅛	2⅛	— ⅛
10	8⅞	Regal B .52	8	3	9½	9⅝	9½	+ ¼
2	15-16	RelGrp wt		25	1	1	1	
19	13⅝	RemAr .80a	7	9	18	18	1	
	⅛	RepMtln wt		1	3-16	3-16	3-16	
22	17⅝	ReschCtl .08	13	78	20	19⅝	19⅞	— ⅛
10⅝	8⅛	Resrts A	13	34	9⅝	9⅝	9⅝	
2	1⅛	RestAssc		3	1½	1⅛	1⅛	— ⅛
3⅛	2⅛	RexNore		4	2⅛	2⅛	2⅛	—
5⅛	3⅝	RibletPd	5	1	3⅝	3⅝	3⅝	
—	[illegible]	Richton .30	4	19	7	6⅞	6⅞	— ⅛
27	[illegible]	RileyCo	8	19	27	26½	27	+ ⅛
16⅛		Risdon .40	10	2	14⅞	14⅞	14⅞	— ⅛
15⅝	11⅛	Robntch		16	13½	13⅛	13⅛	— ⅛
17⅝	12	Rocway 1	8	10	16⅛	16	16⅛	+ ⅛
3¼	2½	Rocor		4	2⅝	2⅝	2⅝	
15	11⅛	Rogers	7	1	12⅛	12⅛	12⅛	
7⅝	6½	Rudick pf.56		7	7⅝	7½	7½	— ⅛
8¼	7⅝	Russel .40	4	38	8⅛	8	8	— ⅛
12½	8½	RustCft .40	8	4	11⅛	11⅝	11⅝	— ⅛
20	16½	RyanH .50	10	14	17⅝	17	17½	+ ⅛

S

1977 High	1977 Low	Stocks and Div in $	P/E	Sls. 100s	High	Low	3 p.m. Quot.	Ch'ge Prev. Close
1⅞	1⅝	Sec		6	1⅝	1½	1⅝	+ ⅛
17⅛	16	SGSe pf 1.70		4	16½	16½	16½	
2⅛	2⅛	SMD	5	3	2½	2⅛	2⅛	— ⅛
14⅞	11⅛	STPCp .80	12	72	11⅛	13⅞	14	
12⅛	8⅞	Safetran	7	8	11⅝	11	11⅝	+ ⅛
14⅛	10⅛	Salem .28	5	8	13½	13⅛	13½	— ⅛
7⅛	6⅝	SCarlo .63e	1	6	½	6⅛	6½	— ⅛
29⅛	26⅛	SDgo pf 2.68		2	28⅝	28⅛	28⅝	+ ⅛
1⅛	11	SFrRE .15e	83	13	13⅛	13⅛	13⅛	— ⅛
41⅛	35⅛	SanJW 2.80	7	2	36⅞	36⅛	36⅛	— ⅛
3⅞	3⅛	Sargent	7	5	3⅝	3⅝	3⅝	
27⅝	27	Sargt pf 2.25		z150	27⅝	27⅝	27⅝	
7⅛	6⅛	ScheibE .56	10	1	6⅞	6⅞	6⅞	— ⅛
7⅛	6⅛	SchoclP .40	7	1	7⅝	7⅝	7⅝	+ ⅛
7⅝	5⅛	SCHRADER		12	6⅝	6⅛	6⅛	
21⅞	16	SciAtla .12	11	12	17⅛	17⅛	17⅛	
10	8⅛	StdAlMtl .40	4	1	9⅝	9⅛	9⅝	— ⅛
20	10	SonsnAll .26	12	20	19⅛	19⅛	19⅛	+ ⅛
3⅛	2⅛	SecMgln		4	2⅝	2⅛	2⅝	— ⅛
5-16	5-32	scMtln wt		2	3-16	3-16	3-16	
6⅛	5⅛	SelasCp .30	7	2	5⅝	5⅛	5⅝	— ⅛
1⅝	1	SelbAssc		2	1⅛	1⅛	1⅛	— ⅛
5⅛	4⅛	Semtch .18t	8	1	4⅛	4⅛	4⅛	
8⅛	4	Servo	8	7	4⅝	4⅝	4⅝	+ ¼
4⅛	2⅛	ShaerS .25e	7	4	3⅛	3⅛	3⅛	— ⅛
14⅛	12⅛	Sharon 1	7	8	14	13⅞	13⅞	— ⅛
9⅝	8⅛	Shawin .50b	8	50	9⅛	9	9	
2⅛	⅞	ShelltrR		11	2	2	2	+ ⅛
7⅛	6½	ShndCp .24t	6	22	7⅛	7⅛	7⅛	
28½	24⅛	ShenanO	17	34	24⅞	24⅛	24⅞	+ ⅛
3	1⅞	ShulmTr		29	2	1⅞	1⅞	— ⅛
8⅛	5⅛	Sierrcln .20	9	2	7⅛	7⅛	7⅛	
8⅛	6⅝	Sigma .20e	6	3	7⅝	7⅝	7⅝	
73⅞	2⅛	SikesCp A		1	2⅛	2⅛	2⅛	— ⅛
2⅞	1⅞	Simplex	10	15	2⅛	2⅛	2⅛	
2	1⅛	SilkinSR			1⅛	1⅛	1⅛	—
2⅛	1⅛	Solitron		52	2	1⅞	2	+ ⅛
13⅛	12⅛	SCEd pf 1.08		39	13⅛	12⅞	12⅞	— ⅛
23	20⅛	SCEd pf 1.68		z150	23	22⅞	22⅞	
19⅛	16⅞	SCEd pf 1.45		1	17⅛	17⅛	17⅛	
17⅞	16	SCEd pf1.30		5	16⅞	16⅞	16⅞	— ⅛
28⅛	26⅛	SCEd pf 2.30		1	26⅛	26⅛	26⅛	+ ⅛
27½	25⅛	SCEd pf 2.21		4	25⅛	25⅛	25⅛	—
96	88⅛	SCEd pf 7.58		20	89	89	89	— 1⅛
21⅛	19	SwstAir n .28	6	19	19⅛	19⅛	19⅛	— ⅛
5½	4⅛	SwtGFin .20	5	1	4⅛	4⅛	4⅛	— ⅛
8⅞	6⅛	Spector .10e	35	8	7	7	7	
2⅝	1⅞	SpedOP	11	2	2	2	2	+ ⅛
4⅛	3½	Spencer .03e	7	4	3½	3½	3½	— ⅛
7⅛	4⅝	SpencrF .08t	4	3	5	5	5	
6⅞	5⅛	Splenlex .8	7	30	6⅛	6⅛	6⅛	+ ⅛
6⅞	4⅛	StaffrdL	5	6	4⅛	4⅛	4⅛	—
14	15⅝	StdA'ln 1	5	2	16⅛	16⅛	16⅛	
16⅛	14	StdCorsa .50	5	6	14⅞	14⅛	14⅛	
4⅞	3	StdMetl .50t	17	7	4⅛	4⅛	4⅛	
11⅛	9⅛	StdMotA	6	10	9⅝	9⅝	9⅝	+ ⅛
11⅞	8⅛	StdPacCp	5	37	10⅛	10⅛	10⅛	— ⅛
25	20⅛	StdProd 1.40	4	2	23⅞	23⅛	23⅛	— ⅛
27	24⅛	StdShrs .40r		7	25⅛	25⅛	25⅛	— ⅛
14⅞	7⅛	Stange .12	10	165	7⅛	7⅛	7⅛	+ ⅛
17⅛	14⅛	StarrHo .36		1	16⅛	16⅛	16⅛	—
1⅞	1⅛	SterlEl	1	1	1⅛	1⅛	1⅛	+ ⅛
5⅛	3⅛	Stevcknit	4	1	4⅛	4⅛	4⅛	— ⅛
12⅝	7⅝	StrutW .30	7	131	10⅛	10	10⅛	— ⅛
54	4⅛	SueAnn .24	7	2	4⅛	4⅛	4⅛	+ ⅛
1⅛	13-16	Summit	6	3	15-16	15-16	15-16	—1-16
4⅛	3⅛	SunCity .25	6	2	4	4	4	
21⅛	16⅛	SunElec .60	10	8	20⅛	20⅛	20⅛	+ ⅛
10⅛	8⅛	Sunair .41	6	3	8⅛	8⅛	8⅛	— ⅛
18⅞	12⅛	Sundanc .20b	31	49	13	12⅛	13	+ ⅛
4⅛	3⅛	Supercr .10e	4		3⅛	3⅛	3⅛	+ ⅛
	5	SupSurg .14	7	26	6⅛	6⅛	6⅛	+ ⅛
4⅝	2⅛	Susqueh	150	67	4⅛	4⅛	4⅛	— ⅛
10⅝	10⅛	Susqhn pf.25k		5	10⅛	10⅛	10⅛	+ ⅛
⅝	½	SutrMtg wt		2	⅝	½	⅝	
7⅛	5⅛	Synaloy .20b	5	32	6⅛	5⅞	5⅞	— ⅛
24⅝	17⅛	Syntex .50	8	196	18⅛	18	18⅛	
16⅛	13⅞	SyscoCp .40	6	227	14⅝	14	14⅛	— ⅛
7⅝	5½	SystEng	19	18	5⅛	5⅛	5⅛	— ⅛

T

1977 High	1977 Low	Stocks and Div in $	P/E	Sls. 100s	High	Low	3 p.m. Quot.	Ch'ge Prev. Close
14⅞	13⅛	TandyBr	5	16	15	14⅞	14⅞	
20⅛	18⅛	Tasty 1.20a	7	3	19½	19½	19⅛	— ⅛
1⅛	11-16	TechSym		1	13-16	10-16	13-16	+1-16
3⅛	3	TechTep	4	3	3	3	3	
5⅛	4	Techtrl .16	4	1	4⅛	4⅛	4⅛	
8⅛	7⅛	TeleCm .35	4	10	7⅛	7⅛	7⅛	— ⅛
18	14⅛	Teleflex .32r	9	1	15⅛	15⅛	15⅛	— ⅛
7-16	⅛	TelexCp wt		5	⅛	⅛	⅛	
4⅛	3	Tnna .03e	5	x29	3⅛	3	3	
1⅛	1⅛	TennevEn	19	5	1⅛	1⅛	1⅛	
1⅞	1⅛	Tensor		1	1⅛	1⅛	1⅛	
16⅛	10½	Teradyn	16	8	12⅞	12⅛	12⅛	
13⅞	11	TerraC .80	5	36	11⅛	10⅞	10⅞	— ⅛
7⅛	6	Texstar .07e	2	44	7⅛	7⅛	7⅛	
4⅛	2⅛	Thorotar		5	3⅛	3⅛	3⅛	
4⅛	3	ThreeD	4	1	4⅛	4⅛	4⅛	
8⅞	6½	Thriftimt		3	8⅛	8⅛	8⅛	— ⅛
1⅛	2	Tidwell		14	2	2	2	— ⅛
8⅛	6⅝	Tiffanyl .20	4	3	6⅛	6⅛	6⅛	— ⅛
9⅛	5⅛	Timptr	7	1				
27	18⅛	Tokheim .80	5	10	22⅛	22⅛	22⅛	
8⅛	5⅛	TotalPet	8	13	6⅛	6⅛	6⅛	— ⅛
17	13⅛	Total pf .70		5	14	14	14	
3⅛	2⅛	Tredwy .03r	4	1	2⅛	2⅛	2⅛	
7⅛	5⅛	Trico .10e	8	2	6⅛	6⅛	6⅛	— ⅛
3 11-16	1⅛	TubesM .17e		23	2⅛	2⅛	2⅛	
3⅛	3	TwinFair	10	47	3⅛	3⅛	3⅛	+ ⅛

U

1977 High	1977 Low	Stocks and Div in $	P/E	Sls. 100s	High	Low	3 p.m. Quot.	Ch'ge Prev. Close
3⅛	3⅛	UIPCp .20	5	4	3⅛	3⅛	3⅛	
2⅛	1⅛	UNA Cp	3	1	1⅛	1⅛	1⅛	— ⅛
4⅛	3⅛	USCp .24	8	1	4⅛	4⅛	4⅛	— ⅛
6⅛	4	UVInd wt		94	4⅛	4⅛	4⅛	+ ⅛
&	3⅛	Unimax	21	51	6⅛	6⅛	6⅛	— ⅛
5	4⅛	Unimax pf		1	4⅛	4⅛	4⅛	+ ⅛
6⅛	4⅛	Unioninv	20	14	6⅛	6⅛	6⅛	
10⅛	9	UnAirPd .56	4	17	9	9	9	— ⅛
⅝	⅜	UnBrand wt		200	⅜	⅜	⅜	
1⅛	⅞	UnFoods	6	33	1⅛	1⅛	1⅛	
2	⅞	UNatCp		1	1⅛	1⅛	1⅛	— ⅛
5-32	1-16	UNatCp wt		6	1-16	1-16	1-16	+1-16
4½	3⅛	UPiecsD		5	3⅛	3⅛	3⅛	
15⅞	12	USFiltr .20	10	182	15⅞	14⅞	15⅞	+ ⅛
⅛	⅛	UnRlIT wt		2	⅛	⅛	⅛	
5⅛	3⅛	USNIRs	5	52	5	4⅞	5	
34	30⅛	Unitok .30	13	6	32⅛	31⅞	31⅞	— ⅛
10⅝	9⅛	UnityBuy	6	14	9⅝	9⅝	9⅝	
2⅛	1⅛	UnivCont	10	13	1⅝	1⅛	1⅛	— ⅛
8⅝	13⅛	UnivRs .20e	10	34	14	13⅛	13	⅛
10⅛	8⅛	UnivRun .52	4	10	9⅝	9⅝	9⅝	+ ⅛
15⅛	11⅛	UnvSav .45	5	4	15	15	15	

V

1977 High	1977 Low	Stocks and Div in $	P/E	Sls. 100s	High	Low	3 p.m. Quot.	Ch'ge Prev. Close
12⅛	10⅛	Valmac .70	4	2	10⅝	11⅛	11⅛	+ ⅛
2⅝	2⅛	ValLDv .02e		25	2⅛	2⅛	2⅛	
10⅛	8⅛	VanDorn .50	6	5	9⅛	9½	9½	
15	11⅛	Veeco .32a	7	2	14⅛	14⅛	14⅛	
8⅝	4⅛	Vernitron	14	495	8⅛	8⅛	8⅛	+ ⅛
4⅛	3⅛	Vesely	11	5	3⅛	3⅛	3⅛	
4	1⅝	Viatech	84	3	3⅛	3⅛	3⅛	
6⅛	5⅛	Virco .10	4	11	5⅛	5⅛	5⅛	— ⅛
3⅛	2⅛	VisualG .05r	6	4	2⅛	2⅛	2⅛	
2⅛	⅛	Vol Mer		2	2⅛	2⅛	2⅛	
16⅛	12	Voplex .72a	5	1	15⅛	15⅛	15⅛	
4⅛	3	VulcnCp	7	5	3⅛	3⅛	3⅛	
10⅛	8⅛	Vulclnc .50	4	1	9⅛	9⅛	9⅛	

W

1977 High	1977 Low	Stocks and Div in $	P/E	Sls. 100s	High	Low	3 p.m. Quot.	Ch'ge Prev. Close
15½	13⅛	Vicinc pf 1		5	14⅛	14	14	— ⅛
3⅛	2⅛	WTC Inc .10	12	5	3⅛	3⅛	3⅛	— ⅛
26⅛	19	WUllnc .80	8	17	22⅛	22⅛	22⅛	+ ⅛
13⅛	10⅛	Wabash .25e	8	13	13	12⅛	12⅛	— ⅛
8⅛	6⅛	Wacknht .40	8	21	6⅛	7	8⅛	+ ⅛
3⅛	2	WadelEq .10		3	2⅛	2⅛	2⅛	+ ⅛
9⅛	6⅛	Walnoco	18	21	7⅛	7⅛	7⅛	+ ⅛
23⅛	23⅛	Walco N.50b	6	1	23	23	23	+ ⅛
6⅛	4⅛	WallacS .20e	10	4	5⅛	5⅛	5⅛	— ⅛
12	13⅛	WangLb .12	12	26	16⅛	16	16	— ⅛
17⅛	11⅛	WangLB .22	12	3	16	16	16	
5⅛	4⅛	WarnC pf.05		3	6	4⅛	4⅛	+ ⅛
25⅛	23⅛	WRIT 1.76	15	2	24⅛	24⅛	24⅛	
2⅛	2⅛	Weiman	9	2	2⅛	2⅛	2⅛	— ⅛
20⅛	19⅛	WscoF .66	9	4	20	19⅞	20	+ ⅛
9⅛	7⅛	WestChP .40	7	7	8	8	8	+ ⅛
8⅛	7	WstFinl .15a	10	12	7⅛	7⅛	7⅛	
6⅛	5⅛	Whitaker .40	5	3	5⅛	5⅛	5⅛	+ ⅛
⅝	⅛	Whitakr wt		2	⅛	⅛	⅛	
6⅛	2⅛	Wichita	17	1	4	4	4	
9	7⅛	Wmhous .35	8	5	7⅛	7⅛	7⅛	— ⅛
4⅛	2	WilsonBr .30	5	10	4⅛	4⅛	4⅛	
2⅛	2⅛	WolfHB	31	3	2⅛	2⅛	2⅛	
9	6⅛	WorcstC	32	29	9⅛	9	9⅛	+ ⅛
12⅛	10⅛	WorkWr .60	5	2	10⅛	10⅛	10⅛	+ ⅛
6⅛	4⅛	Wrather .05e	9	3	5⅛	5⅛	5⅛	
1⅛	⅛	WrightH	13	13	1	⅞	1	+ 1-16
7⅛	5⅛	WyleLab .29	6	24	6⅛	6⅛	6⅛	+ ⅛
12⅛	10⅛	Wynn'n .30	5	8	10⅛	10⅛	10⅛	
13⅛	12⅛	WymBn .56	8	7	13⅛	13⅛	13⅛	— ⅛

X

1977 High	1977 Low	Stocks and Div in $	P/E	Sls. 100s	High	Low	3 p.m. Quot.	Ch'ge Prev. Close
19⅛	15	Xonics	11	7	15⅝	15¼	15¼	— ⅛

Z

1977 High	1977 Low	Stocks and Div in $	P/E	Sls. 100s	High	Low	3 p.m. Quot.	Ch'ge Prev. Close
12	8½	ZeroCo .36	6	2	9⅝	9⅝	9⅝	— ⅛

Sales figures are unofficial.

Unless otherwise noted, rates of dividends in the fore-quarterly or semi-annual declaration. Special or extra dividends or payments not designated as regular are identified in the following footnotes.

a—Also extra or extras. b—Annual rate plus stock dividend. c—Liquidating dividend. e—Declared or paid in preceding 12 months. i—Declared or paid after stock going table are annual disbursements based on the last dividend or split up. j—Paid this year, dividend omitted, deferred or no action taken at last dividend meeting. k—Declared or paid this year, an accumulative issue with dividends in arrears. n—New issue. r—Declared or paid in preceding 12 months plus stock dividend. t—Paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date.

x—Ex-dividend or ex-rights. y—Ex-dividend and sales in full. z—Sales in full.

cld—Called. wd—When distributed. wi—When issued. ww—With warrants. xw—Without warrants. xdis—Ex-distribution.

vi—In bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies.

Year's high and low range does not include changes in latest day's trading.

Where a split or stock dividend amounting to 25 per cent or more has been paid the year's high-low range and dividend are shown for the new stock only.

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HITACHI, LTD.

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The undersigned announces that the Interim Report ended September 30th, 1976, of Hitachi, Ltd. will be available in Amsterdam at Algemene Bank Nederland N.V. and further at:

Amsterdam-Rotterdam Bank N.V., Bank Mees & Hope NV, Pierson, Heldring & Pierson N.V., Kas-Associatie N.V.

AMSTERDAM DEPOSITARY COMPANY N.V.

Amsterdam, March 25th, 1977.

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PYE HOLDINGS LIMITED

(CDRs)

The undersigned announces that a shareholders letter regarding the Disposal of certain Audio and Video Interests to Philips Electronic and Associated Industries Limited and the Notice of an Extraordinary General Meeting on Friday, 6th May, 1977, in London will be available in Amsterdam at Pierson, Heldring & Pierson N.V. and further at: Algemene Bank Nederland N.V., Amsterdam-Rotterdam Bank N.V., Bank Mees & Hope NV, Kas-Associatie N.V.

AMSTERDAM DEPOSITARY COMPANY N.V.

Amsterdam, March 25, 1977.

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SENIOR EXECUTIVE JOB GUIDE

Published at the end of the week, this is a compilation of senior level job opportunities from selected publications. Senior level jobs published by the International Herald Tribune through Tuesday automatically appear in this feature.
To place an advertisement in "INTERNATIONAL EXECUTIVE OPPORTUNITIES," contact our office in your country (listed on back page). Any questions or comments concerning this feature can be directed to Mr. John Shelby in the Paris office.

JOB TITLE	SALARY	EMPLOYER	JOB LOCAT.	SOME OF THE QUALIFICATIONS	CANDIDATES SHOULD MAKE CONTACT WITH	ADVERT. SOURCE
…t'l …eneral …anager	Attractive compensation package +	$50 million plus corp. (consumer products).	U.S.A. S.E. City (not Atlanta)	Min. 8 yrs. current exp. mktg. & manufacturing proprietary drugs/toiletries.	Dept. IGM, Box 88,315, Atlanta, Ga. 30338, U.S.A.	Wall Street Journal 23-3-77
…eneral & …inancial …anagers	According qualifications & experience	Arab Development & Investment Co. Jordan.	Kuwait	35-50 yrs.; univers. degrees & extensive general business exp. at managerial level.	Arab Development & Investment Company Jordan, c/o P.O. Box 34,072, Odailiyah, Kuwait.	Financial Times 24-3-77
…inance …irector	Not less than £10,000 + benefits	Public Co. with very strong Middle-East connections.	London	Successful record financial mngt. at senior level; capacity for control & dvlpt. int'l bus. activity.	A. Longland, Tyzack & Partners Ltd., 10 Hallam St., London, W1N 6DJ.	Financial Times 25-3-77
…eneral …anager …ameras	£17,500-£25,000	Subsidiary of leading Japanese top quality camera manufacturer.	London	30-45 yrs.; min. 5 yrs. exp. mktg. cameras to main distrib.; min. 3 yrs. at senior mktg./sales level.	Ref. GMC 3771/I.H.T., C.J.A., 35 New Broad Street, London, EC2M 1NH.	I.H.T. 26-3-77
…irectors (2)	Commensurate with education & experience	Int'l mngt. consulting org. (athletic & social & recreational programs).	North Africa	Eng., French lang.; excellent education & strong exp. in respective fields.	Box D-5,694, International Herald Tribune, 21 Rue de Berri, 75380 Paris Cedex 08.	I.H.T. 26-3-77
…uropean …arketing …ervices Man.		European headquarters of major multinational industrial group.	Switzerland	27-35 yrs.; high Bus. School; min. 3 yrs. exp. mktg. function; Eng. + min. one Eur. lang.	Cipher P. 3.608, Publicitas, CH-1002 Lausanne.	I.H.T. 26-3-77
…ontroller …enelux		Major U.S. company.	Limburg, Belgium	27-40 yrs.; Eng. + Dutch & French lang.; managerial & staff motivation exp.	Coopers & Lybrand (PH/103), Ave. de Tervuren, 270-272, B-8, 1150 Brussels.	Le Soir 26-3-77
…onsultants …aut …iveau	F.F. 130,000	Groupe important de conseil en management.	Paris	Min. 35 ans; form. Grandes Ecoles; français + lang. Eur. ou l'arabe.	Claude Pierard, Personal Search & Selection, 60 Rue aux Laines, 1000 Bruxelles.	Le Soir 26-3-77
…anaging …irector …donesia	$30,000 tax free	Building products.	Indonesia	35-45 yrs.; graduate Mechanical Engineer or equiv. with electrical exp.	MRD 7028, Boyden Int'l Ltd., 11/15 Arlington St., London SW1A 1RD. Phone: 01-493 7117.	Economist 26-3-77
…dustrial …conomist / …arketing …onsultant	£12,000 tax free	The Swedish Management Appointments firm.	Tanzania	Graduates, prof. in Economics or a companion subject, with extensive practical & varied exp. in industrial situations.	Mr. Christer Siegbahn, c/o 17 Buckingham Gate, London, S.W.1.	Economist 26-3-77
…hef de …strict …urope Est		Corning Glass International S.A.	Paris	Exp. prof. réussie; français, allemand et anglais; apte à travailler dans produits tech.	Département du Personnel, Corning Glass Int'l S.A., 251 Bld. Péreire, 75017 Paris.	L'Express 28-3-77
…hef de …strict …R.S.S.		Corning Glass International S.A.	Paris	Exp. prof. réussie; français, russe et anglais; apte à travailler dans produits tech.	Département du Personnel, Corning Glass Int'l S.A., 251 Bld. Péreire, 75017 Paris.	L'Express 28-3-77
…esident …anager	Commensurate with this senior level opening	Consulting Organization.	Brussels	European; Eng., Fr. lang. +; seasoned prof. in senior consulting capacity.	Box 0326 R.M., Suite 1100, 551 Fifth Ave., New York, N.Y. 10017, U.S.A.	I.H.T. 29-3-77
…siness …vlpt. …anager		Major Int'l corp.	Brussels	Eng., Germ. + Fr. lang.; familiar with Afr. & M.E. economies; exp mngt. consultancy.	Ref. H1294/I.H.T., PA Adv., Hyde Park House, 60a Knightsbridge, London, SW1X 7LE.	I.H.T. 29-3-77
…neral …anager …'l		Growth oriented, multi-divisional manufacturing Co.	Midwestern City, U.S.A.	Int'l mktg. sales professional; travel up to 40%.	Box K-665, The Wall Street Journal, 22 Cortland St., New York, N.Y. 10007.	Wall Street Journal 29-3-77
…'l …ea …anager		Industrial National Bank (European & West African activities).	Providence, Rhode Island, USA	7-10 yrs. banking exp.; min. 4 yrs. int'l circles; Eng., Fr. lang.	K.R. Cole, Industrial National Bank, 11 Westminster Street, Providence, Rhode Island 02903, U.S.A.	Wall Street Journal 29-3-77

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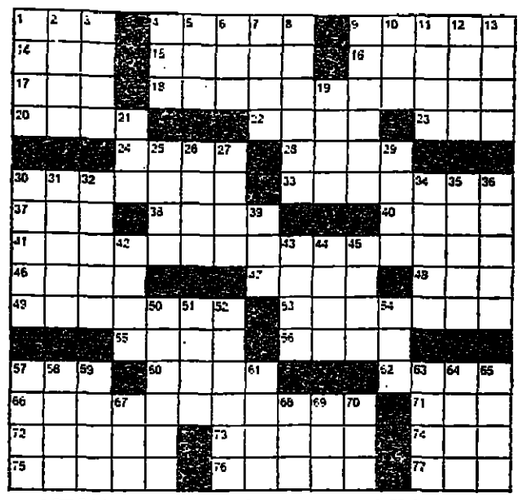
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CROSSWORD — By Eugene T. Maleska



ACROSS

1 Roll of bills
4 Brown-bag contents
9 Flies alone
14 —— -haw
15 *Corn Belt* metropolis
16 Contaminate
17 Sandy's saying
18 With 66 Across, diagonal course
20 "Wizard of Oz" dog
22 Prepare hot cakes
23 Questioner's word
24 Bread unit
26 Pinza
30 Panacea
33 Trespasser's peril
37 G.I.'s club
38 Exceeded 55 m.p.h.
40 Circle of light
41 How to get this *puzzle's absurd* message
46 Clare Boothe ——
47 "Jane ——"
48 A Vanderbilt
49 Globes
53 Uninterrupted
55 Skirt length
56 Delete
57 Lincoln
60 Highlander
62 Use a sense
66 See 18 Across
71 German exclamation
72 *Pronounce*
73 Ponderosa, e.g.
74 That girl
75 Dull sounds
76 As —— (generally)
77 Crumpets' partner

DOWN

1 Questioner's word
2 Aviation prefix
3 Skilled
4 Gehrig or Groza
5 Man behind the plate
6 Forty winks
7 Gourmet pleaser
8 N.Y.C. section
9 *Enter*
10 Stumblebum
11 Stone: Suffix
12 Knowing
13 Stash
19 Minnelli
21 Spanish huzzah
25 Kiln
26 Xanadu's river
27 Run from danger
29 Holy Roman emperor
30 Hairstyle
31 Exhaust
32 Exterminator's victim
34 *Charged*
35 Texas tourist stop
36 Small sea creature
39 Before J.F.K.
42 Adjudge
43 Wry-necked woodpecker
44 Ending with buck
45 Knee: Lat.
50 Hardships
51 Cheese
52 Ridge
54 Bridge seat: Abbr.
57 Be adjacent to
58 The two
59 Caesar's parting *shot*
61 Tale twister
63 Orient
64 Throb
65 Mother of gods
67 Kennedy
68 Zoo attraction
69 Inflation's effect: Abbr.
70 "—— End"

CROSSWORD PUZZLE ENTHUSIASTS...

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Name_____

Address_____

City_____ Country_____

WEATHER

	C	F			C	F	
ALGARVE	14	57	Cloudy	MADRID	10	50	Clear
AMSTERDAM	5	41	Clear	MIAMI	25	79	Clear
ANKARA	22	72	Overcast	MILAN	6	43	Overcast
ATHENS	21	70	Clear	MONTREAL	11	52	Cloudy
BEIRUT	29	68	Clear	MOSCOW	−1	30	Clear
BELGRADE	5	41	Overcast	MUNICH	−1	30	Overcast
BERLIN	−1	30	Cloudy	NEW YORK	20	68	Fair
BRUSSELS	6	43	Clear	NICE	13	54	Showers
BUCHAREST	6	46	Cloudy	OSLO	2	36	Variable
BUDAPEST	1	34	Overcast	PARIS	9	48	Variable
CASABLANCA	16	61	Cloudy	PRAGUE	−2	28	Snow
COPENHAGEN	8	32	Cloudy	ROME	15	59	Cloudy
COSTA DEL SOL	18	64	Clear	SOFIA	14	59	Overcast
DUBLIN	12	54	Showers	STOCKHOLM	4	39	Clear
EDINBURGH	9	48	Rain	TEHRAN	17	63	Fair
FLORENCE	9	48	Overcast	TEL AVIV	22	72	Hazy
FRANKFURT	2	36	Clear	TUNIS	15	59	*Cloudy*
GENEVA	3	37	Cloudy	VIENNA	−1	30	Overcast
HELSINKI	1	34	Cloudy	WARSAW	−2	28	Snow
ISTANBUL	22	72	Overcast	WASHINGTON	20	68	Clear
LAS PALMAS	19	66	Clear	ZURICH	1	34	Overcast
LISBON	16	61	Clear				
LONDON	6	43	Rain				
LOS ANGELES	11	52	Clear				

(Yesterday's readings: U.S., Canada at 1700 GMT, others at 1200 GMT.)

INTERNATIONAL FUNDS
ADVERTISEMENT
March 31, 1977

The net asset value quotations shown below are supplied by the Funds listed with the exception of some Swiss funds whose quotes are based on issue prices. Following marginal symbols indicate frequency of quotations supplied for the IHT. (d)—daily; (w)—weekly; (m)—monthly; (r)—regularly; (i)—irregularly.

BANE JULIUS BAER & Co. Ltd.:
— (d) Baerbond SF332
— (d) Conbar SF794
— (d) Grobar SF640
— (d) Stockbar SF851

BANQUE VON ERNST & CIE.:
— CSF Fund SF24.25
— Crossbow Fund SF4.94
— ITF Fund N.V. $7.32

CAPITAL INTERNATIONAL S.A.:
— (w) Capital Int'l $11.70
— (w) Capital Italia S.A. $7.50

CREDIT SUISSE:
(d) Actions Suisses SF273.75
— (d) Cassarax SF513
— (d) C.S. Fonds-Bonds SF75.25
— (d) C.S. Fonds-Int'l SF67.75
— (d) Energie-Valor SF87
— (d) Casse SF623
— (d) Europa-Valor SF129.75

DIT INVESTMENT FRANKFURT:
— (d) Concentra DM19.70
— (d) Int'l Rentenfond DM76.70

FIDELITY:
— (w) Fidelity Amer. Assets $19.06
— (d) Fidelity Dir Svcs. Tr. $55.01
— (w) Fidelity Int'l Fund $18.03
— (w) Fidelity Pacific Fund $25.23
— (w) Fidelity World Fd. $12.02

G.T. (BERMUDA) LIMITED:
— (w) Berry Pac. Fd. Ltd. $35.73
— (w) G.T. Dollar Fund $6.24

JARDINE FLEMING:
— (r) Jardine Japan Fund $36.47
— (r) Jard Sth East Asia $12.11

LLOYDS INT. MGT. cp 178 GENEVA 11
— (w) Lloyds Int'l Growth SF429.50
— (w) Lloyds Int'l Income SF353.50

PROPERTY GROWTH OVERS. Ltd.:
— (w) U.S. Dollar Fund $101.08
— (w) Sterling Fund $103.10

SEPRO:
— (w) Sepro (N.A.V.) $13.08

SOFID GROUPE GENEVA:
— (r) Parfon Sw. R. Est SF1,564.50
— (r) Securswiss SF974

SWISS BANK CORP.:
— (d) America-Valor SF458.50
— (d) Intervalor SF66
— (d) Japan Portfolio SF424
— (d) Swissvalor New Ser. SF227.50
— (d) Univ. Bond Select SFR6.25
— (d) Universal Fund SF92.83

UNION BANK OF SWITZERLAND:
— (d) Amca U.S. Sh. SF31.50
— (d) Bond Invest. SF74.75
— (d) Convert-Invest. SF93
— (d) Eurit Europe Sh. SF178.50
— (d) Fonsa Swiss Sh. SF95
— (d) Globinvest SF64.50
— (d) Pacific Invest. SF24.50
— (d) Romatac-Invest. SF329.50
— (d) Safit South Afr Sh. SF137.50
— (d) Sima Swiss R Est SF176

UNION INVESTMENT, Frankfurt:
— (d) Atlanticfonds DM14.70
— (d) Europafonds DM27.60
— (d) Unifonds DM16.05
— (d) Unirenta DM41.75
— (d) Unispecial I DM62.65

Other Funds

(w) Alexander Fund $6.77
(w) Trusicor Int. Fd. (AEIF) $7.60
Austral. Select Fd. $1.27
(w) Browninvest $13.20
(d) Capital Rentinvest LF1,198
(d) Citadel Fund $2.82
(i) Cleveland Offshore Fd. $677.80
(w) Convert. Fd. Int. A Certs. $7.59
(w) Convert. Fd. Int. B Certs. $13.39
(d) Convert. Bond Fd. N.V. $9.19*
(w) D.G.C. $37.78
(d) Dollar Fund (ex-div.) $0.61
(d) Dreyfus Fund Int'l $13.50
(w) Dreyfus Intercontinent. $11.71
(w) Europe Obligations LF1,061
(w) First Intern'l Fd. $133.39
(w) First Int'l Realty Sec. $130.97
(d) First Nat'l City Fund $26.16
(w) Fonselex Issue Fr. SF1,794
(d) Formula Selection Fd. SF69.32
(d) Fonditalia $9.52
(d) Frankf.-Trust Interzins DM43
(d) Fund of N.Y. (ex-div.) $0.60
(w) Futuro Australia Fd. Aus.$3.13
(w) Guardian Gr. Fd. Int'l $7.92
(w) HaussmannHldgs. NV $1,765.36
(i) H.O.I.T. Bobet $25.38
(d) Icofund $9.92
(d) Interfund S.A. $8.67
(w) Intermarket Fund $124.24
(w) Int'l Inc. Fund (Jersey) $23.86
(r) Int'l Securities Fund $5.26
(r) Invest. Atlantiques $320.23
(d) Italamerica S.A. Fund $7.77
(r) Italfortune Int'l Fd. S.A. $6.98
(r) Japan Growth Fund $19.55
(d) Japan Selection Fund $49.30
(w) Japan Pacific Fund $22.17
(d) KE Income Fund LF1,601
(d) Keinwort Benson Int. F. $11.19
(w) Kleinwort Benz. Jap. F. $24.80
(c) Leverage Cap Hold $34.25
(w) Luxfund $19.33
(m) MAGNUM Fund Ltd. $39.06
(d) Mediolanum Sel Fund $9.29
(d) Neuwirth Int'l Fund $1.53
(d) Neuwirth Inv Fund $2.72
(d) Nippon Fund $48.65
(w) Nor. Amer. Inv. Fund $6.04
(w) Nor. Amer. Bank Fd. $5.99
(w) N.A.M.F. $59
(d) Putnam Intern'l Fund $22.26
(d) Renta Fund LF1,015
(d) Rentinvest LF262
(d) Safe Trust Fund $10.46
(w) Samurai Portfolio SF91.60
Share Realty N.V. SF16.51
Share International N.V. $4.68
(w) SAKH Special Fund DM23.50
(d) Soros Fund $313.18
(w) Talent Global Fund $8.44
(w) Tokyo Pac. Hold. (Sea) $30.87
(w) Tokyo Pac. Hold. N.V. $41.24
(w) Transpacific Fund $23.88
(w) United Cap. Inv. Fd. $8.22
(d) U.S. Trust Invest. Fd. $10.60
(w) Western Growth Fd. $5.75
(w) Western Hedge Fund $1.279
(w) West Proprietary N.V. $1,433.82
(d) World Equity Grth Fd. $401.66
(w) Worldwide Securities $51.67
(w) Worldwide Special $3,727.16

DM — Deutsche Mark; * — Ex-dividend; z — New; N.A. — Not available; BF — Belgian francs; LF — Luxembourg francs; SF — Swiss francs; + — Offer prices; a — Asked; b — bid. Change F/V $10 to $1 per unit. S/S — Stock Split.

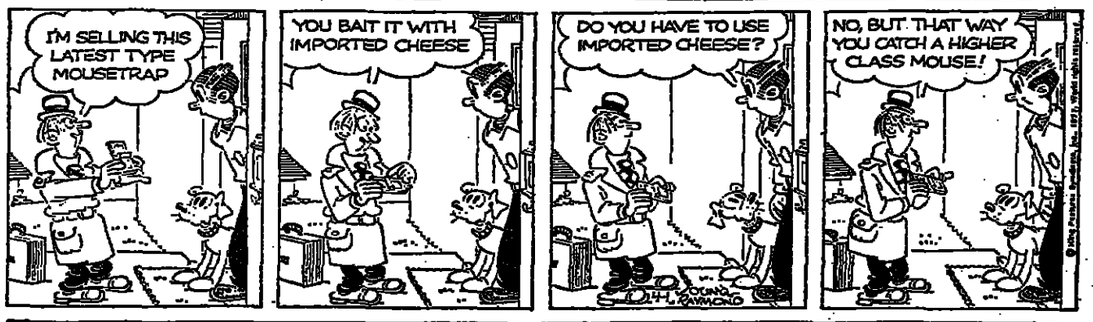
PEANUTS



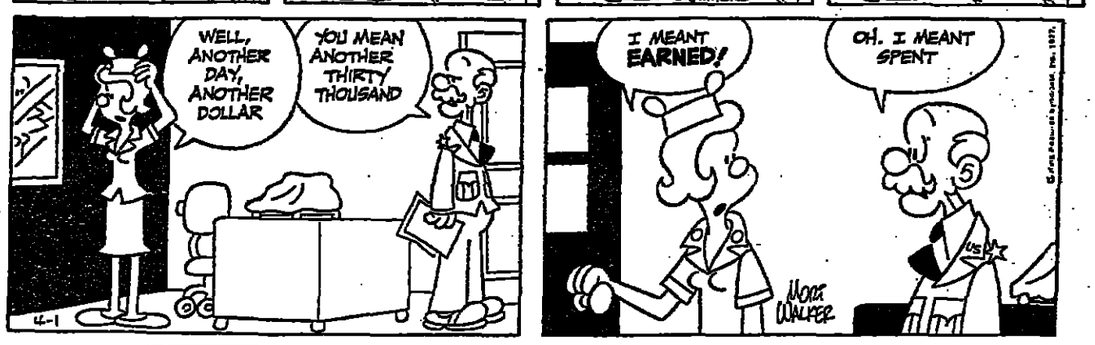
B.C.



BLONDIE



BEETLE BAILEY



ANDY CAPP



WIZARD of ID — BRANT PARKER & JOHNNY HART



MORGAN M. D. — RIP KIRBY

JUMBLE — THAT SCRAMBLED WORD GAME
by Henri Arnold and Bob Lee

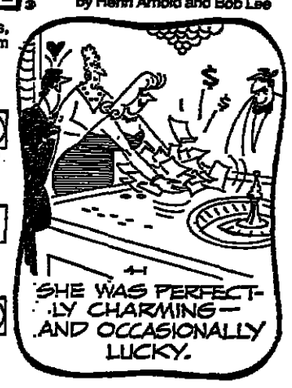
Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

WALOG

SIBAN

LIMIES

NIGMIT



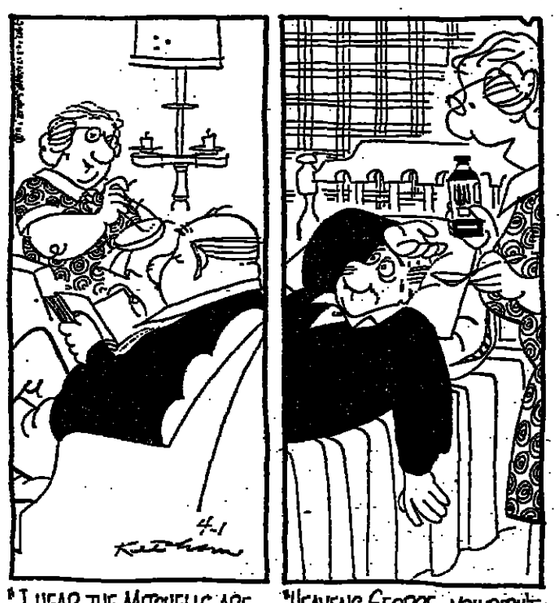
Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Answer here: "____ _____"

(Answers tomorrow)

Yesterday's Jumbles: TOXIN PERKY SQUALL GRIMLY
Answer: Made by actors who have nothing else to do—EXITS

DENNIS THE MENACE



BOOKS

THE OTTOMAN CENTURIES
The Rise and Fall of the Turkish Em

By Lord Kinross. William Morrow. Illustrated. 638 p

Reviewed by John Leonard

THE late Lord Kinross—he died last June, shortly after finishing this book—was no Gibbon, as we see whenever he stops to quote Gibbon on, say, the fall of Constantinople. A prose that has been marching along in a brisk and conscientious manner, with due attention to the care and feeding of facts, is suddenly interrupted by the heavy artillery, a rhetorical cannonade, not to mention organ music. Thus, when Gibbon felt bad it was because he had just heard "the funeral oration of the Roman Empire." And then Kinross gets back to business: "In the small hours of the morning of May 29, 1453, the sultan's offensive was launched. . ."

It may be, of course, that modern readers of history simply won't tolerate Gibbon's sort of literary arrogance. Just the facts, please. We are suspicious of the throbbing clause, the splendid long-windedness of the 18th and particularly the 19th century.

But Kinross, journalist, diplomat, author of what is considered to be the definitive biography of Ataturk, was one of those Englishmen who can't seem to write badly. His grip on narrative is fierce. He doesn't have to apologize to Gibbon for an insufficiency of ambition: to put 600 years of Ottomans into a single book is ambitious enough. And he is unencumbered by Gibbon's evident prejudice against Islam.

"The Ottoman Centuries" contends that the Turkish Empire, 1380-1919, deserves to be talked about in the same room with the Romans. That somebody had to take over from the Byzantines while Christendom fell apart into its warring Orthodox and Catholic factions, and that the Ottomans, pushed out of the nowhere of Asia Minor by the Mongols, did so. That, in fact, they had a lot to say about the European Renaissance and Reformation, and that, even in their 350-year decline, they served as an important buffer between Europe and the self-aggrandisements of Peter the Great.

According to Kinross, the first 10 sultans were the best. What started with Ertoghrul, chieftain of a tribe of nomads, and his son Osman, who converted to Islam after an interesting dream, reached its apogee with Suleiman, the Magnificent, the Lawgiver, the "second Solomon," who took over an empire in 1520 that extended "from the banks of the Danube to those of the Nile, from the coasts of the Adriatic to those of Ocean."

On the advent of says Kinross, "For th in history the East institutions, had pene into the West, to m impact as a unifying an important part Where the Persians before them had Ottomans had triump through their master and their innate order and organizati come an imperial pow stature in the worl age." After Suleima long downhill slide, m Kemal decided during World War that the pire was over and the nation-state had arriv for Turkey.

It is to those "inna of order and organiza much of "The Otton ries" is devoted. Nece means many, many w many, many wars. S sultan seems to have ing better to do with than march on and infidels: behead them difficult engagement; slave them otherwise; lost; raise the pay of saries, and consult before a rematch. W lucky.

And yet Kinross mai that the Ottomans, Romans, were remark rant of religious and ra sity. Many Orthodox in fact, preferred the the Pope. Yes, they take over the world in of Allah. Yes, the r Hamid slaughtered t nians. But most of t was safer to be a su infidel in occupied Ott ritory than it was to of a sultan, or even The Jews were luck Vienna.

Kinross is most fasci the social and cultural tion of the empire. T saries—Christians pres the emperor's service t or the draft, forcibly to Islam and trained fo and administrative du a privileged meritocrac good old days of the nobody except the sur of a sultan inherited When the Janissary m gave way to a Mosle racy, the empire de Bloodlines, instead c were privileged. An u like all upper classes anything but ability, p incompetent. The Di the Nile, the Adriati Indian Oceans, went p

The whole book im with how much I di And how much they much blood, shed by for so little: "The spi the curtains in the pa Caesars," wrote a Pe "The owl calls the Afrasiab's towers." It as in Ireland, the persists.

John Leonard is or of The New York Tim

Solution to Previous Puzzle

T	E	N	E	T		N	O	O	N		L	A	R	D
O	B	E	S	E		E	L	I	A		O	B	I	E
O	A	S	E	S		I	D	L	Y		N	E	V	E
T	N	T		T	A	G	S		S	A	N	D	E	D
			H	A	S	H		C	A	L	O			
L	E	G	A	T	E		R	O	Y	A	L	I	S	T
A	L	L	U	R	E		R	U	L	E	S		C	U	R
S	I	L	K		M	A	N	O	R		L	I	R	A
A	D	A		C	A	N	E	R		M	A	N	G	Y
L	E	G	G	I	N	G	S		G	A	N	G	E	S
			A	N	T	E		M	A	D	E			
M	E	D	I	C	I		B	I	G	A		E	V	E
E	D	I	T		L	A	I	N		M	A	T	I	N
M	E	R	E		L	I	L	I		I	N	A	N	E
O	N	E	R		A	D	A	M		M	I	L	E	S

BRIDGE — By Alan

In the first few tricks of play against a suit contract, many defenders have a bad habit of firing a singleton into the air and hoping for the best. But experienced defenders *do not make such* plays routinely. Instead, they look carefully to see if the circumstances call for something else.

The diagramed deal was played recently in a tournament and at both tables East opened in third seat with three diamonds. South showed a strong hand with a strong suit by jumping to four hearts, which was certainly the right action.

At both tables, diamonds were led and East took his two winners. In one case, he fired back his singleton club, and declarer had no trouble. He won with the ace and played three rounds of trumps. East won the queen.

East returned a diamond, and South ruffed and cashed the club king. He knew that East had begun with only three black cards, a doubleton spade and a singleton club, so a squeeze was a certainty. When the remaining trumps were led, West had to keep a club winner. This reduced him to two spades, and the spade ace won the 12th trick for declarer and the spade seven the 13th.

The second defender had a different idea, which might well have succeeded. Instead of returning the singleton club at the third trick, he played a third diamond, hoping that his partner would be able to ruff higher than the dummy. This worked up to a point. South discarded his club loser and West scored the heart jack.

The contract now depended on whether the defense sco with the heart queen. South came to the that East was likely queen of hearts: If nothing in hearts he ly see any advantage and-sluff maneuver. T a clear-cut decision, b ed right by finessing eventually to make th

Both players failed value of shifting to a attacking dummy's e followed by another later, would have bro squeeze, not only in *position*, but in seve Notice that the spade an irrelevant card: T position would have b effective if South's been K x.

It is true that a shi by East might be wro in an unlikely situat would have to have kin nine of spades, and n

NORTH
♠ A 7 4 3
♡ 10 6
◇ 10 3
♣ 10 9 6 5

WEST (D)
♠ J 9 8 6 2
♡ J 4
◇ 9 5
♣ Q J 8 4

SOUTH
♠ K Q
♡ A K 9
◇ Q 4
♣ A K 7

Both sides were vu bidding:

West	North	Ea
Pass	Pass	3
Pass	Pass	Pa

West led the diamon

هكذا من الأصل

Bruins Skate Into Lead On Defenseman's Work

BUFFALO, N. Y., March 31 (UPI).—Brad Park played the kind of game coach Don Cherry's been trying to get him to play all season. It came at the proper time.

Park scored a goal, assisted on another, killed penalties and played the defensive game he's noted for last night as Boston skated to a 4-3 victory over the Buffalo Sabres to lift the Bruins into the National Hockey League's first place in the Adams Division.

Boston has 102 points, the Sabres 101. Each team has two games remaining in the regular season.

"I personally feel I had a good game," said Park, who also managed to put six shots on Buffalo goalie Don Edwards, "but that's the way Cherry [Boston coach Don] has been trying to get me to play all year.

"This is the hardest working club I think I've ever played on," Park added.

Park's goal, at 5 minutes 55 seconds of the final period, came on a power play and gave the Bruins a 3-3 tie. Mike Millbury's weak slap shot fooled Edwards, who was screened on the play, and gave Boston the game-winner at 9:40 of the same period, with Terry O'Reilly and Park assisting.

The Sabres held their only lead of the game, 3-2, on Gil Perreault's 39th goal of the season at 3:59 of the third period. A first-period goal by Sham Jonathan and a second-period tally by Matti Hagman gave the Bruins a 2-0 lead.

Buffalo cut into the margin on a score by defenseman Bill Hajt at 13:03 of the middle period and tied it at 2-2 on Don Luce's goal early in the third.

The Bruins were forced to kill a penalty in the final minutes of the game when O'Reilly was called for tripping at the 16:48 mark and the Bruins were again outmanned when the Sabres pulled Edwards for an extra attacker with a minute remaining.

"Everybody worked hard," Cherry said. "[Gregg] Sheppard and [Don] Marcotte must have played six or seven minutes out of the last 10. The defense played a heck of a game and Park played what I thought was his best game of the year."

Following the New York Islanders Saturday the Bruins close out the season at home Sunday against Toronto while the Sabres play the Maple Leafs Saturday in Toronto and St. Louis Sunday at home.

Rangers 4, Flames 3

At New York, third-period goals by Pat Hickey and Dan Newman lifted the Rangers to a 4-3 victory over Atlanta to snap a nine-game winless streak against the Flames. Newman got the game-winner at 9:27 when he picked up a pass from Ken Hodge in the slot and deflected it off Atlanta defenseman Pat Riddle. Atlanta rookie Willi Plett scored 36 seconds after Hickey's goal at 5:03 of the period to tie the score 3-3.

Caps 4, Penguins 3

At Pittsburgh, rookie Bill Riley's second-period goal capped a 4-3 Washington victory over the Penguins.

Canadiens 3, Maple Leafs 3

At Montreal, Darryl Sittler scored the tying goal on a breakaway at 10:58 of the final period as Toronto battled the Canadiens to a 3-3 draw. The tie allowed the Canadiens to set an NHL record for the most points—128—in a season and also extended their home undefeated record to 33 games.

Barons 3, Flyers 3

At Richfield, Ohio, Philadelphia clinched first place in the Patrick Division by skating to a 3-3 tie with the Barons on a third-period goal by Al MacAdam. The point earned the Flyers a bye in the first round of the playoffs.

Blues 4, Black Hawks 1

At St. Louis, a power-play tiebreaker by Larry Patey and two insurance goals in a hectic third period sealed a 4-1 victory for the Blues over Chicago.

NHL Standings

CAMPBELL CONFERENCE

Patrick Division

	W	L	T	Pts	GF	GA
Philadelphia	47	16	15	109	316	209
N.Y. Islanders	46	20	12	104	290	196
lanta	33	34	11	77	255	252
Y. Rangers	29	35	14	72	269	301

Smythe Division

St. Louis	31	29	9	71	227	207
icago	28	41	11	63	234	282
nnesota	23	37	18	64	233	296
ncouver	24	47	13	61	226	285
lorado	19	44	14	52	211	291

WALES CONFERENCE

Norris Division

Montreal	58	8	12	128	374	170
s Angeles	31	37	15	77	251	230
tsburgh	32	33	18	77	232	247
shington	34	40	14	62	220	294
troit	18	52	9	41	177	298

Adams Division

ston	47	23	8	102	300	223
ffalo	47	24	7	101	293	218
ronto	33	31	14	80	298	277
veland	24	41	13	61	234	281

x-Clinched division title.

Wednesday's Games

N.Y. Rangers 4, Atlanta 3 (Polis, Sherr, Hickey, Newman; Bennett, Jenkins, Plett).
Washington 4, Pittsburgh 3 (Sirois, Lorentz, Riley, Bailey; Kehoe 2, Scruchet).
Philadelphia 3, Cleveland 3 (Bennett 2, Wolfgren; Murdoch 2, MacAdam).
St. Louis 4, Chicago 1 (Pisey, Thomas, Bourbonnais, Gassoff; Hull).
Boston 4, Buffalo 3 (Jonathan, Hagman, Millbury, Park; Hajt, Perreault, Luce).
Toronto 3, Montreal 3 (McDonald, Thompson, Sittler; Shutt, Jarvis, Tremblay).

WHA Results

Wednesday's Games

Edmonton 6, Houston 5 (Connolly 2, Hornung 2, St. Sauveur 2, Hamilton, Hughes).
Cincinnati 5, Indianapolis 5 (Stoughton, Leeze, Dudley; Peacosh 3, McDonald Sicinski).

NBA Standings

EASTERN CONFERENCE

Atlantic Division

	W	L	Pct	GB
Philadelphia	47	28	.627	—
ork	40	36	.526	7 1/2
Knicks	34	41	.453	13
falo	28	47	.373	19
Nets	21	54	.280	26

Central Division

ston	46	31	.597	—
shington	44	32	.579	1 1/2
Antonio	43	33	.566	2 1/2
veland	40	35	.533	5
w Orleans	34	42	.447	11 1/2
ota	29	47	.382	16 1/2

WESTERN CONFERENCE

Midwest Division

ver	46	29	.613	—
ago	43	34	.585	4 1/2
nsas City	40	36	.526	6 1/2
roit	39	37	.513	7 1/2
ama	32	44	.421	14 1/2
waukee	27	50	.362	20

Pacific Division

s Angeles	49	27	.645	—
nix	44	33	.571	5 1/2
den State	42	34	.553	7
tle	38	39	.494	11 1/2
ttle	30	46	.395	19

x-Clinched division title.

Wednesday's Games

Seattle 111, Houston 105 (Weatherford, Seals 25; Murphy 34, Malone 25).
New Orleans 112, Phoenix 100 (Marin 26, McElroy 23; Adams 19, Feher, Van Arsdale 16).
Boston 90, Chicago 88 (Havlicek 24, Jones 20; Van Lier 16, Gilmore 15).
Washington 110, Atlanta 103 (Henson 22, Kupchak 17; Robinson 31, Price 17).
Philadelphia 115, Detroit 112 (Collins 29; Money 32, Douglas 30).

Transitions

BASEBALL

ATLANTA (NL)—Released Bruce Dal Canton, pitcher.

BOSTON (AL)—Placed Fred Lynn, center fielder, on disabled list retroactive to March 24.

CINCINNATI (NL)—Traded Art DePhillips, pitcher, to Minnesota for Jack Maloof, outfielder-first baseman.

CLEVELAND (AL)—Reacquired John Lowenstein, outfielder, from Toronto for Hector Torres, infielder.

HOUSTON (NL)—Assigned Al Javier, outfielder to Charleston of International League.

NEW YORK (AL)—Assigned Elrod Hendricks, catcher, to Syracuse farm team as player-coach.

OAKLAND (AL)—Bought Pablo Torrealba, pitcher, from Atlanta.

ST. LOUIS (NL)—Asked waivers on Rorie Harrison and Steve Dunning pitchers; and Pat Scanlon, infielder. Traded Mike Caldwell, pitcher, to Cincinnati for player to be named.

SAN FRANCISCO (NL)—Signed Jim Barr, pitcher, for two years.

BASKETBALL

DETROIT (NBA)—Signed George Trapp, forward.

SOCCER

FORT LAUDERDALE (NASL)—Signed from English League: Bobby Bell and Maurice Whittle, defenders; Ray Hudson and Raymond Lugg, midfielders; and David Irving and Tony Whelan, forwards.

SAN JOSE (NASL)—Signed Vlade Zabarac, froward from Yugoslavia, and Ian Wood, defender from England.



United Press International.

ALL FALL DOWN—Flames' Curt Bennett, left, stumbles after shooting puck which Rangers goalie Gilles Gratton goes diving for. Puck missed target as Rangers won game.

When Babe Ruth Lost His Punch

By Dave Anderson

NEW YORK, March 31 (NYT).—Frank Lucchesi has a broken cheek bone and Lenny Randle has a lawyer. And by now, each presumably has second thoughts. Lucchesi, the hospitalized manager of the Texas Rangers, will remember to drop the word "punk" from his vocabulary when addressing a player and Randle, the suspended utility infielder, will remember to keep his hands in his back pockets when addressing a manager.

The punch knockdown of a manager by a player might not be unprecedented in the major leagues. Doors can be closed. But there were no doors near third base where Randle showed he was a better candidate for the Golden Gloves than for a Golden Glove.

Baseball historians can't seem to recall an incident quite like it. Dave Boswell, then with the Minnesota Twins, had a chance to flatten the manager but Billy Martin punched him out on the sidewalk outside a Detroit bar in 1969 after the pitcher had slugged Bob Allison, a teammate.

Other managers and players have snarled at each other without swinging. And in 1925 Babe Ruth was supposed to have picked up little Miller Huggins, the Yankees' manager, and held him by the heels off the back of a moving train while threatening to drop him onto the tracks. That incident never really happened, according to several Yankee players of that era. But that same year Ruth almost punched Huggins.

Not only were the proud Yankees in seventh place, but they were in St. Louis on a Saturday afternoon in August long before air-conditioning existed. Another combustible element, as documented by Robert Creamer in his book, "Babe," involved the Babe's defiance of Huggins's signs.

The Wrong Moves

Against the White Sox in Chicago a few days earlier, the Babe had bunted with two runners on instead of swinging away in the first inning, then swung away and lined into a double play instead of bunting with two on in the ninth with the Yankees a run behind. But mostly, Huggins was fed up with the Babe's partying. When the Babe strolled into the Yankees' clubhouse in St. Louis after his teammates already were taking batting practice, Huggins was puffing on his pipe.

"Don't bother getting dressed, Babe," the manager said. "You're not playing today."

Huggins also knew that the Babe had missed the 1 o'clock curfew the night before.

"I'm suspending you," the manager continued, "and I'm fining you $5,000. You're to go back to New York on the 5 o'clock train."

Stunned and embarrassed, the Babe reacted angrily. And almost violently.

"Five thousand dollars!" the Babe roared among obscenities. "Five thousand dollars! Who the hell do you think you are? If you were even half my size, I'd punch the hell out of you."

Huggins was standing now but he was six inches shorter than the Babe, about 100 pounds lighter, 15 years older.

"If I were half your size," the manager snapped, "I'd have punched you. And I'll tell you something else, mister. Before you get back in uniform, you're going to apologize for what you've said, and apologize plenty. Now get out of here."

Instead of returning to New York, the Babe took a train to Chicago where he sounded off on the manager.

"People have been asking me all year what the trouble with the team is," the Babe told the newsmen. "I haven't wanted to say it before, but I will now. The trouble with the team is Huggins. We lost the pennant to Washington last year when we should have won by 15 games. That was Huggins's fault. He didn't get the most out of the players. I think we have the best team in the league this year, and look where we are."

Lots of Sound

When he was asked about his future with the Yankees, the Babe sounded off again.

"I'm through with them," he said. "I won't be playing with them next year if Huggins is still there. Either he quits or I quit, because I'll never play for him again."

Back in New York a few days later, the Babe had begun to mellow. But the Yankees owner, Jake Ruppert, remained firm.

"The fine and suspension stand," the brewery millionaire told newsmen after the Babe had visited him. "I told Ruth, as I tell you now in front of him, that he went too far. I told him Miller Huggins is in absolute command of the ballclub, and that I stand behind Huggins to the very limit. I told him it is up to him to see Huggins, admit his errors and apologize for his hot-headedness. It is up to him to reinstate himself."

Contrite now, the Babe went to Yankee Stadium and saw Huggins. But the manager would not reinstate him.

"I'm not impressed with his apologies and his promises to be good," Huggins said. "I've heard them before, and I'm tired of them. He seems penitent and apologetic now, but he can have a few more days to think things over."

After a few more days, the Babe did what Huggins had demanded—he apologized to the manager before the entire team in the clubhouse. Huggins had established his authority.

While the Yankees won two World Series and three American League pennants during the next six seasons, Ruth was never better in producing, as Robert Creamer wrote, "the finest sustained display of hitting that baseball has ever seen." Over those six seasons, the Babe batted .354, averaged 50 home runs a year, 155 runs batted in and 147 runs scored—all from the ashes of the apology. And he hadn't even punched the manager.

Fidrych Out 2 Months With Injury

Tigers' Big Gate Attraction To Undergo Knee Surgery

From Wire Dispatches

ST. PETERSBURG, Fla., March 31—Mark Fidrych, the legendary Bird of the Detroit Tigers pitching staff and the biggest box-office draw in baseball in years, was found yesterday to have torn a cartilage in his left knee. He underwent surgery today in Detroit and will be lost to the Tigers and his charmed public for at least two months.

The Tigers got the bad news about an hour after they had edged the Mets, 1-0, sending New York to its fourth straight exhibition loss and the ninth in their last 12 games. But all afternoon, the Tigers' ears were turned to Henry Ford Hospital in Detroit, where their 22-year-old star was being tested and where the word was finally flashed: Fidrych will not "talk to the ball" at least until early June.

For the Detroit club, the news was shattering because nearly all 53,000 seats in Tiger Stadium had been sold for next Thursday's opening game of the regular season—with The Bird as the starting pitcher. And for the rest of baseball, particularly the American League, it was equally shattering because a million fans paid to watch Fidrych and his tricks last summer, and teams like the new Toronto Blue Jays were already counting on The Bird to fill their parks in early April.

Not only that, but the loss of Fidrych for two or more months removed from the troubled baseball scene the most appealing "media happening" in many moons—the blond Harpo Marx moppet, the country boy talking to the ball and shaking hands with the infield, the child of nature taking curtain calls on national TV. He was the rookie sensation of 1976, winning 19 games for a weak team and helping people forget the "dismal science" of economics that had been sweeping baseball and its new free agents.

"They're probably lining up already to turn back their tickets," an official of the Detroit team said. "And ticket sales were 20 per cent ahead of last year, all because of the Bird. Half a dozen national magazines are planning stories or even covers on him, and I don't know wha. they'll do now." Fidrych injured his knee last week with the same flair he showed on the mound: jumping to catch a fly ball during pregame practice at the Tigers' camp in Lakeland, Fla. The knee seemed to get better, then worse, and finally he flew home to Detroit yesterday for a hospital check.

It was not injury but time that levelled John (Boog) Powell. The slugger, 35, and one-time Most Valuable Player, was released by the Cleveland Indians yesterday.

"I'm naturally disappointed," said the 6-foot-3 power-hitter, who spent 13 seasons with the Baltimore Orioles. "But I feel very confident that I will catch on with another team."

Powell's release comes after an unproductive and injury-ridden season in which he hit just .215 with nine homers and 33 RBIs. It was a long way from the 1970 season when he belted 35 home runs, hit .297 and knocked in 114 runs with Baltimore en route to the MVP award.

In exhibition games, John Montefusco and Nolan Ryan turned in impressive stints and appear ready for opening day. Ryan, the Angels' hard-throwing right-hander, turned in seven strong innings as California defeated Seattle, 5-3. "I felt like I could have pitched 12 innings," Ryan said. "I'm getting bored with spring training."

Montefusco, who claims he can win 25 games this season, also worked seven good innings as the San Francisco Giants blanked Oakland, 5-0.

Willie McCovey, 39, will be returning to the Giants after enjoying a hard-hitting spring. McCovey, a free agent, had been with San Francisco for 15 seasons but had played most of the last three years with San Diego.

Chris Chambliss blasted a three-run homer as the New York Yankees stopped Boston, 8-5 . . . Gene Tenace drove in three runs with a double and a home run to spark San Diego to an 8-5 victory over Milwaukee . . . Carl Morton and Nelson Briles combined for a four-hitter as Texas topped Toronto, 5-2 . . . Don Sutton, in a tune-up for opening day, went seven innings as Los Angeles edged St. Louis, 7-6, with the Dodgers concluding their Florida portion of spring training . . . Jorge Orta's two-run homer in the ninth pushed the Chicago White Sox to a 7-5 victory over Pittsburgh . . . Baltimore overcame Johnny Bench's two homers and Ken Griffey's solo shot to take a 6-4 victory from Cincinnati.

A ninth-inning single by left-fielder John Wathan gave Kansas City a 5-4 victory over Philadelphia . . . Pitcher Bob Johnson, signed as a free agent Monday, worked his way out of a two-out, bases-loaded jam in the ninth inning to preserve Atlanta's 3-2 victory over Montreal . . . Rick Reuschel surrendered only five hits and no earned runs in seven innings to lead the Chicago Cubs, who produced a 14-hit attack, over the Cleveland Indians, 9-4, and Rod Carew's ninth-inning single offset a pair of two-run homers by Houston's Cliff Johnson and led Minnesota to a 5-4 victory, breaking a six-game Twins' losing streak. It was the ninth consecutive one-run game for the Astros.



AP.

Mark Fidrych, equipped with cassette player, is on his way to hospital for surgery.

Team Tennis Fills Nastase With Riches

LOS ANGELES, March 31 (Reuters).—Romanian Ilie Nastase today has a six-year, $1.5 million contract with the Los Angeles Strings of World Team Tennis, the richest tennis contract ever, a team spokesman said.

A spokesman for the Strings said Nastase's contract betters the $1.3 million contract Bjorn Borg signed with the Cleveland team earlier this year.

Nastase's contract also includes matching silver Corvette sports cars for himself and his Belgian wife, Dominique, with telephones installed, and a free penthouse apartment and maid service, the spokesman said.

In a statement issued with the signing of the contract yesterday Nastase, now in London, said: "I like everything about Los Angeles, especially the weather and the tennis crowd. Los Angeles and Paris are my two favorite cities.

"I think I am playing my best tennis right now and I think I will be at the top of my game for the next four to five years."

Because of prior contractual commitments, Nastase will not start playing with the Strings until after Wimbledon in midsummer.

His contract is for $175,000 for each of the first two years, and contains options for him to continue to play a total of six years, Strings' owner Jerry Buss said.

Gottfried Still Winning

LOS ANGELES, March 31 (AP).—Top-seeded Brian Gottfried had more trouble than expected before subduing fellow American Mike Estep, 6-3, 7-5, last night in the opening round of the Pacific Southwest tennis championships. The victory was his 34th in his last 37 matches as he prepares to defend the title he won here last year.

Soccer Team Starts Rocking In Colorado

DENVER, March 31 (UPI).—A rock music promoter and a West Coast businessman were awarded a franchise by the North American Soccer League yesterday and will establish a team called the Colorado Caribous next year.

Seattle businessman Booth Gardner and James Guercio of Boulder, Colo., manager of the group Chicago, paid $250,000 for the franchise and agreed to give up another $750,000 in team revenue from games and television rights, NASL commissioner Phil Woosman said.

Guercio, whose Rocky Mountain recording studio at Nederland, Colo., is used by his group and singer Elton John, said he and Gardner wanted the Caribous to play in Mile-High Stadium, home of the Denver Broncos football team.

He said use of the site, which next year will seat 70,000, depended on rental costs. Guercio said the Caribous would be the 19th team in the league.

The franchise is the second awarded to Denver by the NASL. In 1975, the Denver Dynamos folded after two seasons. Owners blamed lack of fan support and said the club was forced to play home games in a suburban recreation field.

Tyrrell's 6-Wheel Machines To Hit Streets of California

By Shav Glick

LONG BEACH, Calif., March 31.—If four wheels will make a vehicle run faster than two, why not try six?

It's not quite that simple but this type of thinking caused Derek Gardner, who designed the Tyrrell race car, to scrap his successful 007 model—a conventional four-wheeler—and build a completely new Formula One car with two sets of front wheels.

Three of the blue and white Elf Tyrrell six-wheelers arrived Monday night by air from London with the rest of the grand prix cars to race Sunday in the second U.S. Grand Prix West through the city streets here. Patrick Depailler of France, the six-wheel test driver, and Ronnie Peterson of Sweden will drive the strange-looking creations.

Gardner and team manager Ken Tyrrell unveiled the six-wheel cars on the grand prix circuit in midseason last year—after the Long Beach race—and they proved to be much more than a publicity gimmick. In the second race, the Belgian Grand Prix, Jody Scheckter finished fourth. Next, at Monaco, Scheckter was second and Depailler third. Two weeks later, in Sweden, they finished 1-2.

Their appearance was as radical as the Chapparal "vacuum cleaners" were when introduced by Jim Hall to the Can-Am series in 1970.

Peterson replaced Scheckter this year after the South African elected to race for the Wolf team of Walter Wolf. Tyrrell had disappointing races in Argentina and Brazil before Depailler picked up a third in South Africa. Peterson, with his third team in three years after finishing third to Jackie Stewart and Emerson Fittipaldi in the 1973 world championship, is still having problems adapting to the new Tyrrell.

Long Beach, where qualifying starts tomorrow for Sunday's race, is the fourth round of the 17-race grand prix circuit.

The six-wheeler, known formally as Project 34, is as distinctive in its racing characteristics as in its design.

Because of the added rubber on the front end (four mini-sized tires with a tread width of 7.6 inches, compared to two of 16 inches for the four-wheel cars), it is possible to drive deeper into the corner and make what appears to be almost a 45-degree-angle turn without losing traction. The cars, in the turn, appear to be out of control in the rear as the rear wheels fight to keep up with the front four.

The Long Beach circuit, with its 12 tight turns in 2.02 miles, would seem ideal for the unconventional Tyrrells.

"Looking at them from the outside of a turn, you'd swear they'd never get through without sliding," said one veteran observer, "but the front wheels never seem to lose their grip."

Project 34 was introduced in London in September, 1975, with more skepticism than anticipation. But less than a year later Scheckter and Depailler made believers out of skeptics with their high finishes.

The success of the six-wheel Tyrrell is not likely to stimulate a wholesale switch from four-wheelers.

"It is much more expensive to build, for one thing," said the designer. "You can't use anything off your other cars. What we have is a race car based on a completely different concept but one which is equaling the performance of any other car. Since the car achieved this in its infancy, it means that with development, things could change quite measurably, although it isn't going to set the world on fire at the moment. It may someday but it isn't going to be sudden."

One major problem was developing a tire to fit the four-front-wheel concept. Goodyear, which builds nearly all Formula One tires, designed the smallest front tire in the history of that type of racing. It fits on a 10-inch rim and is only 16 inches in diameter, compared with a 26-inch diameter of the standard Formula One tire.

Two other six-wheel cars radically different from the Tyrrell are being developed by Ferrari and March but will not be here. Both have four wheels in the rear, rather than the front.

Niki Lauda, the former world champion, tried out the Ferrari six-wheel car but only would say, "We shall see," when asked to comment on its capabilities. It has four powered wheels in the rear, two on each independent axle mounted in tandem as with heavy-duty trucks.

The March, which has been tested by Ian Scheckter, 29-year-old elder brother of Jody Scheckter, is similar to the Ferrari. March chief engineer Robin Herd said it was designed to eliminate drag.

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The Time Goes By So Slowly As Celtics Triumph in NBA

HARTFORD, Conn., March 31 (UPI).—It took 14 minutes to play the last 45 seconds of last night's Boston-Chicago game, and despite the fact that Boston won, 90-88, coach Tom Heinsohn complained about the officiating and the timekeeper.

Heinsohn's biggest beef came after Boston's Curtis Rowe missed a free throw with one second left on the clock. Chicago's Artis Gilmore got the rebound, and the Bulls still had enough time to call a time out.

"The guy never turned the clock on," Heinsohn said after the game.

The time out gave the Bulls a chance to make an in-bounds pass from midcourt, but Dave Cowens batted the ball away from Gilmore's outstretched hand on the play.

Sonics 111, Rockets 105

At Seattle, Slick Watts had 18 assists and Bruce Seals scored 21 of his 25 points in the first period to pace the SuperSonics to a 111-105 victory over Houston and keep their playoff hopes alive. Seattle trails Kansas City and Chicago in the battle for the sixth and final Western Conference playoff slot in the National Basketball Association, with five games remaining for the Sonics.

Jazz 112, Suns 100

At New Orleans, guards Pete Maravich and Jimmy McElroy combined for 49 points, 31 in the second half, to lead the Jazz to its seventh consecutive victory, 112-100, over Phoenix. New Orleans, which set a club record for consecutive victories, hit only 37 per cent of its shots in the first half when Maravich made three of 15 from the field and scored seven points. But Maravich came back in the second half to score 19 points, going nine for 17 from the floor.

Bullets 110, Hawks 103

At Landover, Md., guard Tom Henderson, acquired earlier this season from Atlanta, scored 22 points against his old teammates to lead the Bullets to a 110-103 victory.

76ers 115, Pistons 112

At Philadelphia, George McGinnis scored the go-ahead basket with 45 seconds to play and followed with a key defensive play to spark the 76ers to a 115-112 victory over Detroit.

McGinnis's driving bucket followed a basket by Kevin Porter that tied the score at 110 with 1:31 to play. The muscular 6-8 forward then deflected a Detroit pass to force a turnover and Doug Collins sealed the win with two free throws with 14 seconds remaining.

Transitions

HOCKEY

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Observer

Saline Solution

By Russell Baker

NEW YORK.—Shocking though it may seem, the Soviet Union and the United States now have enough salt to ruin every bowl of soup on earth 36 times. It is this grim statistic with its nasty implications for the palate of mankind that has led to the SALT talks between Moscow and Washington.



Baker

Contrary to popular notion, the talks do not aim at abolishing the saltpiles of either power. As pointed out by Central European professors, the only persons on earth with minds devious enough to understand the talks, the goal is not desalinization, but only limited salt control, or, as it is called by the experts, a weak saline solution. In short, if you believe the SALT talks will relieve humanity of the threat of the sodium-chloridal saltocaust, you are grossly deceived.

The present aim is merely to slow the insane pace of the salt race. This began at Potsdam in 1945 when Stalin learned that President Truman had secretly cornered salt and didn't intend to give him any. Since then, both nations have been laying in salt like drunken hoarders at the supermarket.

Behind this madness lies neurotic terror of surprise attack. The Russians fear that unless they match the Americans in saltegic power, a lightning attack like Hitler's of 1940 could ruin all the borscht in Mother Russia. The Americans, mindful of the surprise attack on Pearl Harbor, are determined that even if a sneak Soviet attack oversalts every mashed potato in the United States, they must still have saline retaliation capability.

In both nations, powerful salt lobbies are opposed to agreement.

Even graver are fears in each country that the other cannot be trusted. Sensible and eminent senators in Washington demand to know what safeguards the United States will have against Soviet stockpiling of condiments not covered by the SALT talks.

There has been alarm in Washington, for example, over recent evidence that Moscow is secretly developing pepper, which, with its high susceptibility to wind currents, might be blown over the United States in such megatonnage that it would not only ruin the scrambled eggs from coast to coast, but also prostrate the population with sneezing fits, thus leaving the nation powerless to defend itself against a massive oregano attack.

This worry has produced a hardening in the United States position, with powerful senators demanding that pepper and oregano be covered in any SALT agreement.

The Russians are unwilling to talk about pepper and oregano unless the United States agrees to bargain about mozzarella cheese. American technologists have been developing quantities of mozzarella which, when production hits its peak, can be used to cover the earth's entire land surface. Its advantages as a retaliatory device are evident.

If, for instance, a massive pepper attack were momentarily to paralyze the American population, an automatically fired barrage of mozzarella covering the Eastern Hemisphere from France through Soviet Asia would leave the entire Red Army glued motionless to the ground.

The Soviets hint they might be willing to discuss controls on pepper and oregano if the Americans will discuss controls on mozzarella cheese. Strategists at the Cheesagon are objecting, however, on the ground that mozzarella is not a condiment like oregano, pepper and salt. The President is reluctant to press the Cheesagon for concessions, for fear that the more warlike elements in Congress, who are known as "hard cheesers," will accuse him of being a "soft cheeser." In Washington parlance, "soft cheesers" are thought to be sissies, which is bad for presidential images.

As this summary makes clear, little progress is likely to be made before the century is out. The choice seems to be between spending the next 30 years worrying about salt or hitting the vanilla extract right away.

Covering the World From a Wheelchair

By Jack Monet

PARIS (IHT).—Patrick Segal, 29, is what the French call a "grand reporter," a photographer-journalist covering wars, revolutions, disasters—the big political and social themes.

In the last four years, the Frenchman has undergone acupuncture treatment in Peking, translated for businessmen at the Canton Fair, watched the decline of Saigon, traversed Australian deserts, hitchhiked in California, penetrated deep into the Amazone region, crossed the Atlantic in a sailboat headed for the Tall Ships ceremony in New York Harbor and visited the devastated Palestinian camp of Tal Zaatar in Beirut.

Not bad for any traveler. Rather exceptional for a man in a wheelchair.

Mr. Segal has been paralyzed from the chest down since April, 1972, when an accidentally fired bullet struck his spine. He was thereafter handicapped physically, but not spiritually.

Until the accident, he had everything going for him—intelligent, good-looking, 6 feet 2, 175 pounds, a black belt in karate, a horseback rider, a skier, a student in physical therapy only a few months away from his degree.

Now he is "L'Homme Qui Marchait Dans Sa Tête," the "man who walked in his mind," the title of his book, recently published in French by Flammarion and soon to be published in New York by Norton and Norton.



Sipa (Patrick Segal)

Patrick Segal fixing a flat in California. He took picture himself, using a tripod and a prefired motor drive on camera.

Inner Voice

"I'll make it as long as I count only on myself," he told himself in his hospital bed. "A patient who wants to get better listens to his inner voice—it tells him to be led by his own strength and to ignore those who counsel caution and resignation."

He began directing his rehabilitation the moment the accident occurred in a village near the Alps. He did not lose consciousness and, because of his studies in physical therapy, he could interpret his symptoms.

He told his friends to call the firemen, who he knew were best equipped for his condition, and to ask for a metal stretcher to protect his spine.

While on the stretcher, he won the first of his many battles against bureaucratic thinking. He felt his life ebbing away and, only after a desperate argument, persuaded the ambulance drivers to cross the frontier to a hospital in Geneva, 15 miles away, rather than go to Lyons, 110 miles away.

He has had less success with French Social Security. He uses a U.S.-manufactured, lightweight, folding wheelchair, which he feels is the best available. He paid $1,000 for it, but he cannot persuade French Social Security to reimburse him $400, the cost of a French wheelchair.

Against the will of his doctors and family, Mr. Segal left for China a year after his accident. In the interim he had lifted weights to strengthen his arms. He went alone, accompanied only by his wheelchair and a suitcase. His vain hope was that acupuncture would end his paralysis.

At a stopover in Hong Kong, he bought, by chance, a camera at a cut-rate price. He has since sold many of his pictures of China, where he stayed seven months, and is now a regular free-lancer for the Paris-based Sipa press agency. In May, his photographs will be shown in the leading photo gallery in Paris, FNAC-Montparnasse.

Wherever he has traveled, he has visited doctors and hospitals, at first to seek help for his condition, now to offer help to others with physical handicaps. He spends three months each year as a volunteer adviser at the Veterans Administration hospital in Long Beach, Calif., one of the main centers for the handicapped because it was the first stop in the United States for returning Vietnam wounded.

He teaches courses for physical therapy students at Long Beach College. For two or three days, his students travel about with him in wheelchairs, to get a different perspective.

Mr. Segal is also a consultant for the World Health Organization in Geneva and the specialist in problems of the physically handicapped for a French television station. When he went to Beirut, it was to advise on the preparation of programs and centers for victims of the Lebanese civil war.

In France, he ardently campaigns for new policies and funds for the 3 million people he said the government lists as having a physical handicap of some kind.

Reintegration

"France is far behind such countries as, say, China, Israel and the United States—Communist, socialist and capitalist countries—in reintegrating the handicapped into society," he said.

French thinking, he said, is reflected in the use of the word "re-education" for its policy toward the handicapped. It means, he said, "a 'second education' that leads to the creation of marginals placed on the outer edges of society." By contrast, he said, the word "rehabilitation" is used in Anglo-Saxon countries, implying a "re-insertion" into society.

"The handicapped in France," he said, "are second-class citizens. Those in wheelchairs cannot go to many restaurants or movies. We can visit the Louvre only in groups and on fixed dates. We cannot go to a stadium to watch a soccer or rugby match.

"When apartment buildings suitable for the handicapped are built—with ramps and elevators—they are put up 10 or 15 miles from Paris," he said. "It's like the Middle Ages, when asylums for the insane were placed outside the walls of the cities, so they would not be seen."

PEOPLE: *As New Envoy to OAS, Ex-Sen. McGee Is Green*



Gale McGee
. . . snappy dre

"Someone should have told him St. Patrick's Day was a couple of weeks ago," an onlooker muttered Wednesday when Gale McGee, former senator from Wyoming, walked into the Roosevelt Room of the White House to be sworn in as ambassador to the Organization of American States. McGee was bedecked in a green suit, an electric green tie and a shirt decorated with green flowers. In introducing McGee, Vice-President Mondale said, "He is remembered as the snappiest dresser in the history of the Senate, so much so that it may have cost him re-election." McGee then said: "I'm going to say one word in Spanish to show you how prepared I am for this assignment—si."

* * *

And speaking of snappy dressers, **Lord Charles Spencer Churchill**, grandnephew of Winston Churchill, was named defendant Wednesday in a $3-million breach-of-contract suit in Federal District Court in Manhattan. The action was initiated by a division of Tarra Hall Clothiers Inc., which said that Lord Churchill agreed last July to make store promotional appearances on behalf of Tarra men's clothes and promised to represent the company exclusively through the fall of this year. The suit alleges that Lord Churchill violated the agreement by going to work for a division of Genesco Inc., a co-defendant, to promote a competing line of clothes.

* * *

Reports by a Canadian television station that Prime Minister **Pierre Elliott Trudeau** and his wife **Margaret** have decided to end their marriage were discounted Thursday by an official spokesman in Ottawa. "We don't comment on this sort of thing, but if the Trudeaus were going to separate, we would be informed," **Jean Charpentier**, the Prime Minister's press secretary, said.

* * *

Ballet star **Rudolf Nureyev** has appealed to Soviet authorities to grant exit visas to his mother, sister and niece so that they can visit him for the first time in 16 years. The dancer, who defected to the West in 1961, made the appeal in a letter published Thursday in The New York Times. Nureyev said that ing aware of the Belgrade ference that will take place summer, where the progres the Helsinki accords will be viewed," he would like to l up the case of his family.

* * *

A Paris court has postp to June 1 the hearing of a evasion charge against s **Charles Aznavour**. The Fr Finance Ministry accuses A vour of illegally channeling ey he earned abroad to Sw land. The singer, who has Swiss residence status since says that he acted in good f The hearing was postpone his request.

* * *

Macdonald Carey, the fo movie actor who is now a of the "Days of Our Lives" vision soap opera, pleaded g to a charge of misdeme drunken driving in a cour Beverly Hills, Calif. He was f $350 and placed on two-y probation. Carey, who starre movies such as "The G Gatsby," "Wake Island". "Streets of Laredo," was stop last Dec. 10 in West Hollyw and the arresting officer repo he had been driving erratic

—SAMUEL JUSTIC

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